

CITY OF KENNER, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 19 2014**

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | 1-3 |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | 4 |
| Selected Officials of the City of Kenner | 5 |
| Organizational Chart of the City of Kenner | 6 |
| Map of the City of Kenner | 7 |
| FINANCIAL SECTION | |
| INDEPENDENT AUDITOR'S REPORT | 8-10 |
| REQUIRED SUPPLEMENTARY INFORMATION - PART I | |
| Management's Discussion and Analysis | 11-17 |
| BASIC FINANCIAL STATEMENTS | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 18 |
| Statement of Activities | 19 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet | 20-21 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 22 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 23-24 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 25 |
| Proprietary Funds: | |
| Statement of Net Position | 26-27 |
| Statement of Revenues, Expenses and Changes in Fund Net Position | 28 |
| Statement of Cash Flows | 29-30 |

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (CONTINUED)

Fiduciary Fund:

| | |
|--|-------|
| Statement of Fiduciary Assets and Liabilities | 31 |
| Statement of Changes in Assets and Liabilities | 32 |
| Notes to the Financial Statements | 33-62 |

REQUIRED SUPPLEMENTARY INFORMATION - PART II

| | |
|---|-------|
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 63 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - One Percent Sales Tax of 1984 Fund | 64 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Protection Fund | 65-66 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Debt Fund | 67 |
| Note to Budgetary Comparison Schedules | 68 |
| Schedule of Funding Progress for Other Postemployment Benefits Plan | 69 |

OTHER SUPPLEMENTARY INFORMATION

Governmental Funds:

| | |
|--|-------|
| Nonmajor Fund Descriptions | 70 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 71-72 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds | 73-74 |
| Schedule of Revenues - Budget and Actual - General Fund | 75-76 |
| Schedule of Expenditures - Budget and Actual - General Fund | 77-78 |
| Combining Schedule of Departmental Expenditures - Budget and Actual - General Fund | |
| General Government Function | 79-82 |
| Public Safety Function | 83-85 |
| Public Works Function | 86-87 |
| Health and Welfare Function | 88 |

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (CONTINUED)

| | |
|---|---------|
| Culture and Recreation Function | 89-90 |
| Transit Function | 91 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Garbage Collection and Disposal Fund | 92 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Streets and Drainage Fund | 93 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Street Lighting Fund | 94 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development Block Grant Fund | 95-96 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Ad Valorem Tax Bonds Fund | 97 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Firemen's Pension Merger Fund | 98 |
| Proprietary Funds: | |
| Enterprise Funds: | |
| Enterprise Fund Descriptions | 99 |
| Schedule of Revenues, Expenses and Changes in Fund Net Position Budget and Actual - Department of Wastewater Operations Fund | 100 |
| Schedule of Revenues, Expenses and Changes in Fund Net Position Budget and Actual - Civic Center Operations Fund | 101 |
| Internal Service Funds: | |
| Internal Service Fund Descriptions | 102 |
| Combining Statement of Net Position | 103 |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Position | 104 |
| Combining Statement of Cash Flows | 105-106 |
| Schedule of Councilpersons' Compensation | 107 |

TABLE OF CONTENTS (CONTINUED)

| | <u>PAGE</u> |
|--|-------------|
| STATISTICAL SECTION | |
| Statistical Section Descriptions..... | 108 |
| Financial Trends | 109-115 |
| Revenue Capacity | 116-120 |
| Debt Capacity | 121-125 |
| Demographic and Economic Information | 126-127 |
| Operating Information | 128-130 |
| SINGLE AUDIT SECTION | |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 131-132 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 | 133-134 |
| Schedule of Expenditures of Federal Awards..... | 135-136 |
| Notes to Schedule of Expenditures of Federal Awards | 137 |
| Schedule of Findings and Questioned Costs..... | 138 |
| Summary Schedule of Prior Year Findings | 139 |

INTRODUCTORY SECTION



CITY OF KENNER

DEPARTMENT OF FINANCE

MICHAEL S. YENNI
MAYOR

DUKE P. MCCONNELL
FINANCE DIRECTOR

January 7, 2014

Honorable Mayor and City Councilpersons
City of Kenner, Louisiana
1801 Williams Boulevard
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2013 are included in the Single Audit Section of this report.

Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

LOCAL ECONOMY

During the 2012-2013 fiscal year sales taxes, which are the City's largest revenue, increased as the economy continues to recover from the recession. Expenditures such as insurance, retirement, fuel and utilities continue to escalate. The City continues to make budget cuts and has now made over \$8.5 million in budget cuts including the elimination of 135 budgeted positions over a five year period. In addition, the City has been rededicating a portion of its capital funds to operations to help balance the operating budget. During the first six months of the 2013-2014 fiscal year, some months

sales taxes have been up while down in other months but overall are up approximately 5%. Revenues will have to show further improvement in order to avoid additional cuts and rededicating additional capital funds.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2012. This was the eighteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Kenner
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Council President
Councilwoman at Large
District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

Michele Branigan
Jeannie Black
Gregory Carroll
Joseph Stagni
Keith Reynaud
Maria DeFrancesch
Kent Denapolis

EXECUTIVE STAFF

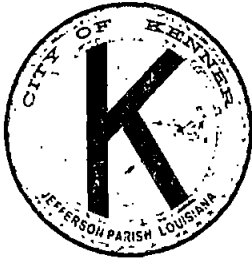
Mayor
Chief Administrative Officer
Chief of Police
City Attorney
Deputy Chief Administrative Officer
Chief Financial Officer

Honorable Michael S. Yenni
Michael Quigley
Stephen Caraway
Keith Conley
Natalie Newton
Duke McConnell

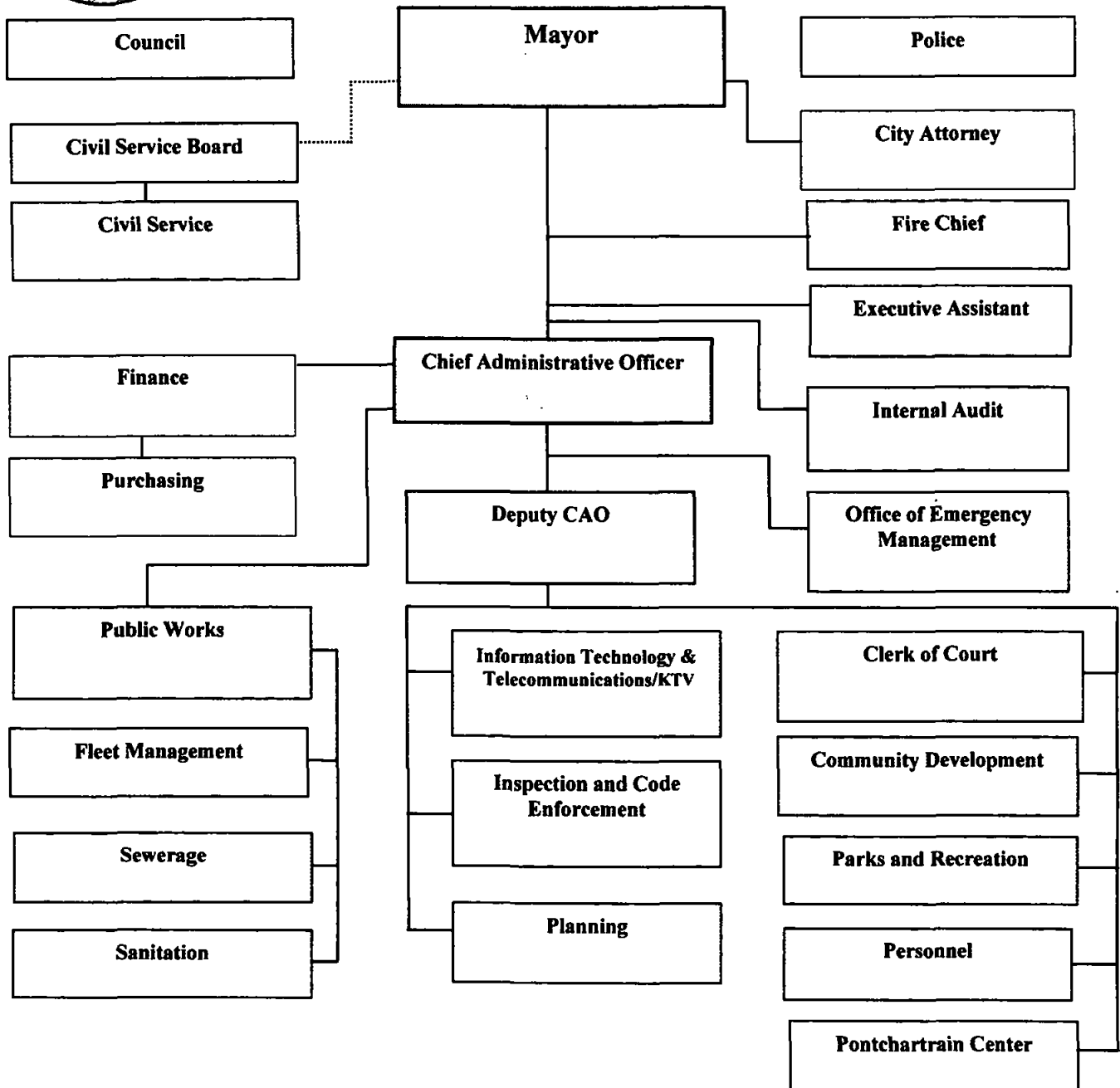
DEPARTMENT HEADS

Inspection and Code Enforcement
Community Development
Parks and Recreation
Human Resources
Planning
Purchasing
Fire Chief
Clerk of Court Director
Information Technology
Internal Audit
Council Clerk
Civil Service
Fleet Management
Public Works

Vacant
Arleeta Terrell
Ken Marroccoli
Wendi Folse
Jay Hebert
Theresa Nevels
John Hellmers
Meg Vincent
Valerie Waguespack
Vacant
Natalie Hall
Wendy Lorenz
Ronnie Vitellaro
Jose Gonzalez

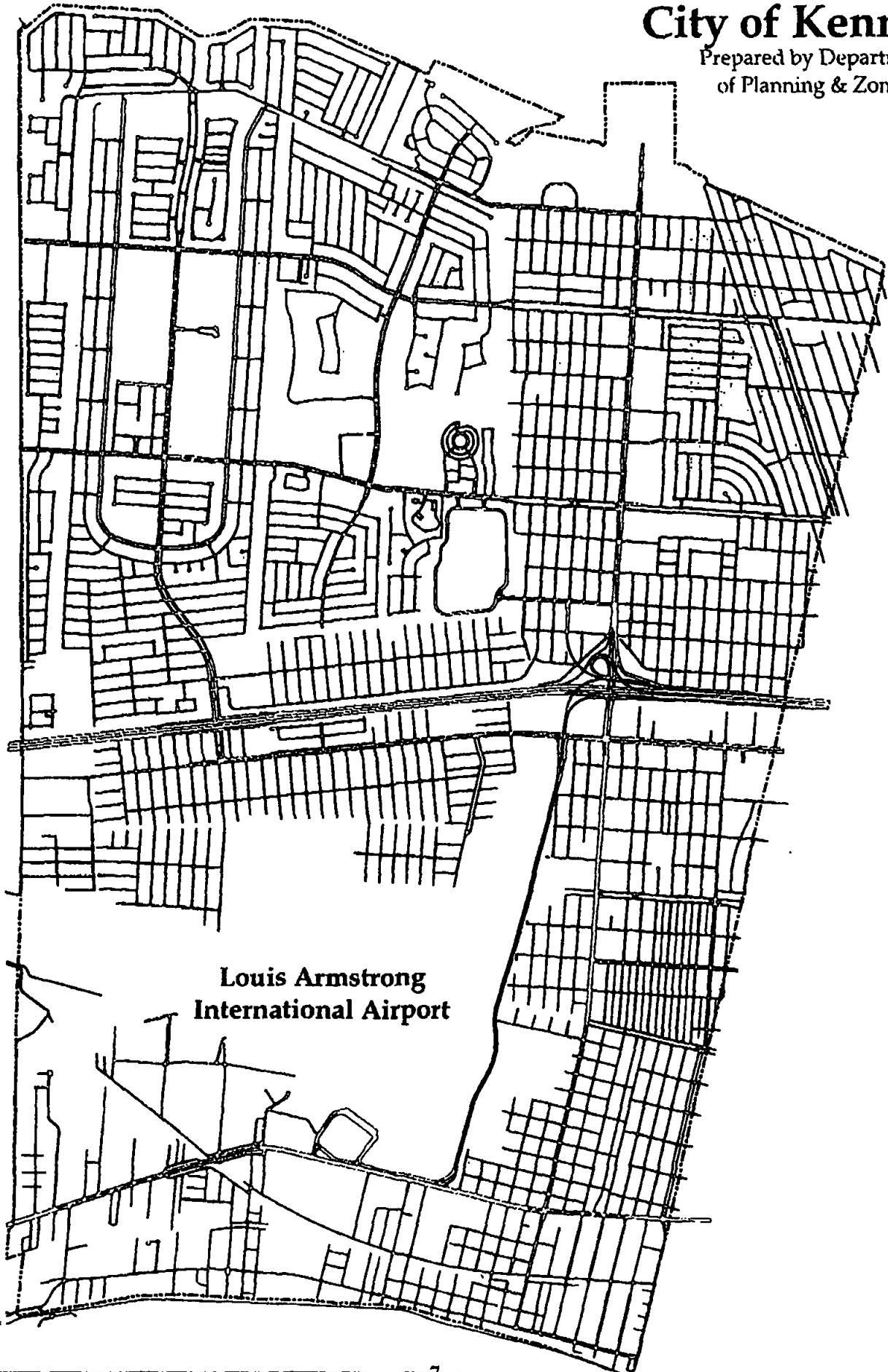


City of Kenner Organization of Government



City of Kenner

Prepared by Department
of Planning & Zoning



FINANCIAL SECTION

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIICH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA
HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR., C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR., C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR., C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT

January 7, 2014

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway I, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhhncpa.com

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 17 and the required supplementary information on pages 63-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's basic financial statements. The introductory section on pages 1-7, the other supplementary information on pages 70-107, and the statistical section on pages 108-130 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information on pages 70-107, and the schedule of expenditures of federal awards on pages 135 and 136, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2014, on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kenner, Louisiana's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2013. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$263 million at June 30, 2013. Of this amount approximately \$237 million is in capital assets net of related debt.

The City's unrestricted net position in governmental activities are approximately (\$4.7) million, which is a decrease primarily due to the recognition and inclusion of long-term liabilities which will be funded by future revenues.

Business type activities unrestricted net position are approximately (\$4.3) million which is a decrease due to revenue from the sewer service charge increase coming in under budget and using funds advanced from other funds to acquire fixed assets. These deficits are expected to be eliminated from future revenues.

The City's total net position decreased by approximately \$17 million. Net position of governmental activities decreased by approximately \$13 million due to depreciation, a reclassification of debt and the implementation of GASB 65. Net position of business type activities decreased by approximately \$4 million due to depreciation and a reclassification of debt.

The City's general fund reported an unassigned fund balance of approximately \$6.5 million which is approximately the same as last year.

The unassigned fund balance of the general fund represents 11% of the City's operating expenditures.

In August 2012 the City was hit by hurricane Isaac causing significant damage and cost to the City. In fiscal year 2013 the City incurred approximately \$2 million of expenditure in connection with the hurricane with 75% of those expenditures being covered by FEMA and the City having to cover the remaining portion.

During the year the City entered into another low interest loan from the Louisiana Department of Environmental Quality (LDEQ) to get additional funds for the City's Sewerage Capital Improvement Program. The Sewerage Capital Improvement Program is intended to overhaul the City's sewerage system to address a compliance order from the LDEQ which the City has been under for a number of years. The loan was made in November 2012 for \$21 million at a .95% interest rate. The loan is being debt services by a sewer service charge increase approved by the Council in November 2010.

In June 2013 the City refinanced its LCDA series 2003 loan to get a more favorable interest rate. The refinancing saved the City approximately \$70,000 per year.

The City's total debt decreased by approximately \$2.8 million due to additional drawdowns on the LDEQ loans less scheduled debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net position presents information on all of the City's assets, less liabilities, which results in net position. The statement is designed to display the financial position of the City. Over time, increases or decreases in net position help determine whether the City's financial position is improving or deteriorating.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The statement of activities provides information which shows how the City's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Position and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Position and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has six major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The six non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds except for the General Capital Projects funds.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

Statement of Net position. The following table reflects condensed information on the City's net position for the current and prior years.

| Statement of Net Position | | | | | | |
|--|------------------------------------|-------------------------------------|-------------------|------------------------------------|-------------------------------------|-------------------|
| June 30, | | | | | | |
| (In thousands) | | | | | | |
| | Governmental Activities 2013 | Business-type Activities 2013 | Total 2013 | Governmental Activities 2012 | Business-type Activities 2012 | Total 2012 |
| Assets: | | | | | | |
| Current and other assets | \$ 37,605 | \$ 11,753 | \$ 49,358 | \$ 56,253 | \$ 4,932 | \$ 61,185 |
| Capital assets | <u>219,156</u> | <u>74,308</u> | <u>293,464</u> | <u>236,248</u> | <u>72,572</u> | <u>308,820</u> |
| Total assets | <u>256,761</u> | <u>86,061</u> | <u>342,822</u> | <u>292,501</u> | <u>77,504</u> | <u>370,005</u> |
| Liabilities: | | | | | | |
| Long-term outstanding debt | 50,857 | 18,066 | 68,923 | 71,587 | - | 71,587 |
| Other liabilities | <u>10,023</u> | <u>1,013</u> | <u>11,036</u> | <u>11,866</u> | <u>6,019</u> | <u>17,885</u> |
| Total liabilities | <u>60,880</u> | <u>19,079</u> | <u>79,959</u> | <u>83,453</u> | <u>6,019</u> | <u>89,472</u> |
| Net position: | | | | | | |
| Invested in capital assets, net of related debt | 180,438 | 56,242 | 236,680 | 176,583 | 72,572 | 249,155 |
| Restricted | 20,478 | 15,069 | 35,547 | 29,773 | - | 29,773 |
| Unrestricted | <u>(4,722)</u> | <u>(4,329)</u> | <u>(9,051)</u> | <u>2,692</u> | <u>(1,087)</u> | <u>1,605</u> |
| Total net position | <u>\$ 196,194</u> | <u>\$ 66,982</u> | <u>\$ 263,176</u> | <u>\$ 209,048</u> | <u>\$ 71,485</u> | <u>\$ 280,533</u> |

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Statement of activities. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

| Statement of Activities June 30, (In thousands) | | | | | | |
|--|------------------------------------|-------------------------------------|---------------|------------------------------------|-------------------------------------|----------------|
| | Governmental Activities 2013 | Business-type Activities 2013 | Total 2013 | Governmental Activities 2012 | Business-type Activities 2012 | Total 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 16,221 | \$ 7,621 | \$ 23,842 | \$ 16,751 | \$ 7,112 | \$ 23,863 |
| Operating grants & Contributions | 2,119 | - | 2,119 | 1,529 | - | 1,529 |
| Capital grants & Contributions | 3,843 | 2,075 | 5,918 | 7,239 | 5,382 | 12,621 |
| General revenues: | | | | | | |
| Property taxes | 7,618 | 596 | 8,214 | 7,877 | 524 | 8,401 |
| Sales taxes | 31,708 | - | 31,708 | 30,371 | 304 | 30,675 |
| Other taxes | 10,083 | 781 | 10,864 | 10,012 | 403 | 10,415 |
| Grants & contributions not restricted to specific program | 218 | 156 | 374 | 165 | 14 | 179 |
| Other | 283 | 55 | 338 | 273 | 13 | 286 |
| Total revenues | 72,093 | 11,284 | 83,377 | 74,217 | 13,752 | 87,969 |
| Program expenses: | | | | | | |
| General government | 14,335 | - | 14,335 | 13,518 | - | 13,518 |
| Public safety | 29,726 | - | 29,726 | 30,121 | - | 30,121 |
| Public works | 30,447 | - | 30,447 | 31,743 | - | 31,743 |
| Health and welfare | 461 | - | 461 | 479 | - | 479 |
| Culture and recreation | 7,459 | - | 7,459 | 6,075 | - | 6,075 |
| Transit & urban development | 2,178 | - | 2,178 | 5,066 | - | 5,066 |
| Debt issuance costs | 167 | - | 167 | - | - | - |
| Interest on long term debt | 1,582 | - | 1,582 | 2,340 | - | 2,340 |
| Sewer operations | - | 10,025 | 10,025 | - | 8,482 | 8,482 |
| Civic center operations | - | 3,229 | 3,229 | - | 3,359 | 3,359 |
| Total expenses | 86,355 | 13,254 | 99,609 | 89,342 | 11,841 | 101,183 |
| Change in net position before Transfer and Extraordinary Items | (14,262) | (1,970) | (16,232) | (15,125) | 1,911 | (13,214) |
| Transfers | (20) | 20 | - | 392 | (392) | - |
| Change in net position before Extraordinary Items | (14,282) | (1,950) | (16,232) | (14,733) | 1,519 | (13,214) |
| Extraordinary Items and other Gain on disposal of capital assets | - | (484) | (484) | - | - | - |
| Reclassification of debt | - | - | - | 2,071 | (2,071) | - |
| Change in net position | - | (484) | (484) | 2,071 | (2,071) | (0) |
| Net position-beginning of year (as restated) | 210,476 | 69,414 | 279,890 | 223,138 | 69,966 | 293,104 |
| Net position-end of year | \$ 196,194 | \$ 66,980 | \$ 263,174 | \$ 210,476 | \$ 69,414 | \$ 279,890 |

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2013 for its governmental and business-type activities was approximately \$293 million, net of depreciation as reflected in the schedule below:

**Capital Assets
June 30, 2013
(Net of depreciation in thousands)**

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------|
| Land | \$ 9,674 | \$ 3,799 | \$ 13,473 |
| Construction in progress | 10,015 | 7,885 | 17,900 |
| Capitalized Interest | - | 26 | 26 |
| Buildings | 24,182 | 57,095 | 81,277 |
| Improvements other than buildings | 6,035 | 180 | 6,215 |
| Equipment | 8,004 | 5,322 | 13,326 |
| Infrastructure | <u>161,245</u> | <u>-</u> | <u>161,245</u> |
| Total | <u>\$ 219,155</u> | <u>\$ 74,307</u> | <u>\$ 293,462</u> |

The majority of the capital additions for the year were for sewerage improvements as the City continued a major program to upgrade the City's sewerage system funded with funds loaned from the Louisiana Department of Environmental Quality and bonds issued. The City also purchased additional police vehicles to enhance public safety and additional equipment needed for Public Works activities. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$64 million in long-term debt as shown in the table below.

**Outstanding long-term debt
June 30, 2013
(In thousands)**

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------|------------------------------------|-------------------------------------|------------------|
| Revenue bonds | \$ 16,664 | \$ - | \$ 16,664 |
| Certificates of indebtedness | - | - | - |
| Note payable | 24,307 | 18,066 | 42,373 |
| Mortgage payable | - | - | - |
| Other | <u>4,856</u> | <u>-</u> | <u>4,856</u> |
| Total | <u>\$ 45,827</u> | <u>\$ 18,066</u> | <u>\$ 63,893</u> |

The City's total long-term debt decreased by approximately \$2.8 million, which was explained earlier.

The City's sales tax bonds are rated B, negative outlook by Standard and Poor's based on the bond insurance policy issued by MBIA Insurance Corporation. The City has not obtained an underlying rating of these bonds.

The 2011 Sewer bonds have an underlying rating of A and an insured rating of AA- from Standard and Poor's.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

limit. Approximately \$205 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

Revenues excluding capital contributions increased slightly primarily due to increased sales taxes. Capital Contributions decreased as less capital projects were completed during the year and transfers to the proprietary funds. The cost of providing services continue to rise and although the City made budget cuts for the fourth year in a row, including \$.5 million in 2012/2013 fiscal year, it was necessary for the City to again rededicate a portion of the City's capital funds, approximately \$325,000 rededicated for the 2012/2013 fiscal year, to balance the operating budget to avoid reductions in services.

The City strives to maintain an unassigned fund balance in the general fund of approximately 10% of operating expenses. The fund balance is needed to help the city meet any unforeseen expenditures such as major storms, etc. and to meet the city's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier the unassigned fund balance in the general fund remained at approximately 11% of operating expenses.

The City's total governmental expenditures decreased by approximately \$3 million. Cost increased due to the expenditures incurred from hurricane Isaac as well as general operating cost increases however cost increases were offset by a decrease in grants received and budgetary cuts. The City's business-type activities expenditures increased by approximately \$1.4 million primarily due to additional repairs and maintenance on the sewer system.

The city also continues to rebuild damaged facilities from hurricanes Katrina and Isaac with funding received from FEMA.

BUDGETARY HIGHLIGHTS

General fund revenues came in higher than the budget due to increased sales taxes and licenses and permits however franchise fees, riverboat revenues and fines coming in under budget.

General fund expenditures were under budget due to the City's emphasis on controlling costs and monitoring expenses.

ECONOMIC OUTLOOK

Sales taxes, the city's primary revenue, are very volatile however they have been increasing and are expected to continue to grow but costs continue to rise as well. For the last several years the City has been having to make budget cuts, rededicate capital funds to operations and use a portion of the City's fund balance to balance the budget as costs have been rising faster than revenues. Unless revenue growth outpaces the rate at which costs continue to rise the City will have to continue to make budget cuts and rededicate capital funds to maintain a balanced budget.

There are some positive developments which should help improve the City's economy. In December of 2013 a new state of the art movie theater opened at the Esplanade mall, which is a major shopping mall located within the city. The new theater is expected to bring additional shoppers to the mall which should help increase the City's sales taxes.

The Mayor's Economic Development Committee which is made up of prominent members of the business community was established to develop a strategy to attract new businesses and residents to the City. The Committee recommended the refinancing of the City's sales tax bonds to get funds for a corridor redevelopment plan. The plan is intended to enhance the City's image which will attract new businesses and residents to the City. In August 2013 the City refinanced the 2003 sales tax bonds. The refinancing involved extending the maturity date and lowering the City's interest rate in order to provide \$28 million for the plan. The City's annual debt service remained the same. The plan is expected to improve the City's economy in the coming years.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The City continues to make repairs from hurricanes Katrina and Isaac. While Katrina repairs are covered 100% by FEMA, Isaac repairs are only 75% covered by FEMA and the City will have to fund the remainder.

The city continues to be under a compliance order from the Louisiana Department of Environmental Quality, which will require substantial improvements to the sewer system. The funding is in place for the improvements from two LDEQ loans and a bond issue and the City continues with the necessary repairs.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2013

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash | \$ 4,039,175 | \$ 14,238,485 | \$ 18,277,660 |
| Equity in pooled cash | 2,024,091 | - | 2,024,091 |
| Investments | 6,212,119 | - | 6,212,119 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | |
| Taxes | 1,180,284 | - | 1,180,284 |
| Accounts | 3,628,976 | - | 3,628,976 |
| Intergovernmental | 9,454,745 | 644,523 | 10,099,268 |
| Special assessments - delinquent | 477 | - | 477 |
| Interest | 603,551 | - | 603,551 |
| Service charges | - | 1,490,153 | 1,490,153 |
| Other | 31,049 | 32,176 | 63,225 |
| Internal balances | 6,166,157 | (6,166,157) | - |
| Inventory, at cost | 67,553 | - | 67,553 |
| Prepaid items | 567,506 | - | 567,506 |
| Refundable deposits | - | 3,669 | 3,669 |
| Restricted cash | 3,629,800 | 1,509,902 | 5,139,702 |
| Capital assets not being depreciated | 19,542,636 | 11,709,879 | 31,252,515 |
| Capital assets being depreciated, net of accumulated depreciation | 199,613,151 | 62,598,049 | 262,211,200 |
| Total assets | 256,761,270 | 86,060,679 | 342,821,949 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 313,201 | - | 313,201 |
| LIABILITIES | | | |
| Accounts payable | 2,717,412 | 722,668 | 3,440,080 |
| Estimated claims payable | 4,707,539 | - | 4,707,539 |
| Contracts payable | 1,230 | - | 1,230 |
| Retainages payable | 16,135 | 74,335 | 90,470 |
| Accrued liabilities | 1,661,458 | 39,979 | 1,701,437 |
| Deposits on future events | - | 176,196 | 176,196 |
| Due to other governments | 109,165 | - | 109,165 |
| Unearned revenue | 747,692 | - | 747,692 |
| Other liabilities | 62,163 | - | 62,163 |
| Current portion of long-term debt | 8,832,494 | 435,000 | 9,267,494 |
| Non-current liabilities: | | | |
| Due in more than one year | 42,024,814 | 17,631,426 | 59,656,240 |
| Total liabilities | 60,880,102 | 19,079,604 | 79,959,706 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| | - | - | - |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 180,438,285 | 56,241,502 | 236,679,787 |
| Restricted for: | | | |
| Capital projects | 13,789,715 | 13,558,624 | 27,348,339 |
| Debt service | 4,594,204 | 1,509,902 | 6,104,106 |
| Other | 2,093,840 | - | 2,093,840 |
| Unrestricted | (4,721,675) | (4,328,953) | (9,050,628) |
| Total net position | \$ 196,194,369 | \$ 66,981,075 | \$ 263,175,444 |

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

| Function/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities | | | | | | | |
| General government | \$ 14,334,561 | \$ 7,397,121 | \$ 462,080 | \$ - | \$ (6,475,360) | \$ - | \$ (6,475,360) |
| Public safety | 29,726,401 | 3,582,022 | 441,767 | 476 | (25,702,136) | - | (25,702,136) |
| Public works | 30,447,190 | 4,219,748 | 985,265 | 2,760,448 | (22,481,729) | - | (22,481,729) |
| Health and welfare | 461,077 | 44,622 | - | - | (416,455) | - | (416,455) |
| Culture and recreation | 7,458,593 | 857,685 | - | - | (6,600,908) | - | (6,600,908) |
| Transit and urban development | 2,178,189 | 119,770 | 230,056 | 1,082,465 | (745,898) | - | (745,898) |
| Interest on long-term debt and other charges | 1,582,211 | - | - | - | (1,582,211) | - | (1,582,211) |
| Debt issuance costs | 166,797 | - | - | - | (166,797) | - | (166,797) |
| Total Governmental Activities | <u>86,355,019</u> | <u>16,220,968</u> | <u>2,119,168</u> | <u>3,843,389</u> | <u>(64,171,494)</u> | <u>-</u> | <u>(64,171,494)</u> |
| Business-type Activities | | | | | | | |
| Wastewater Operations | 10,025,404 | 6,323,934 | - | 1,308,178 | - | (2,393,292) | (2,393,292) |
| Civic Center Operations | 3,228,630 | 1,297,089 | - | 766,469 | - | (1,165,072) | (1,165,072) |
| Total Business-type Activities | <u>13,254,034</u> | <u>7,621,023</u> | <u>-</u> | <u>2,074,647</u> | <u>-</u> | <u>(3,558,364)</u> | <u>(3,558,364)</u> |
| Total | <u>\$ 99,609,053</u> | <u>\$ 23,841,991</u> | <u>\$ 2,119,168</u> | <u>\$ 5,918,036</u> | <u>(64,171,494)</u> | <u>(3,558,364)</u> | <u>(67,729,858)</u> |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem | | | | | 7,617,724 | 595,762 | 8,213,486 |
| Sales and use | | | | | 31,708,191 | - | 31,708,191 |
| Beer tax | | | | | 76,434 | - | 76,434 |
| Parking | | | | | 2,090,075 | - | 2,090,075 |
| Franchise | | | | | 7,916,445 | 781,448 | 8,697,893 |
| Grants and contributions not restricted to specific programs | | | | | 218,121 | 156,398 | 374,519 |
| Investment earnings | | | | | 40,631 | 12,751 | 53,382 |
| Miscellaneous | | | | | 242,494 | 42,666 | 285,160 |
| Special item - gain (loss) on disposal of capital assets | | | | | 99 | (483,861) | (483,762) |
| Transfers | | | | | (19,936) | 19,936 | - |
| Total general revenues, transfers, and other | | | | | <u>49,890,278</u> | <u>1,125,100</u> | <u>51,015,378</u> |
| Change in Net Position | | | | | <u>(14,281,216)</u> | <u>(2,433,264)</u> | <u>(16,714,480)</u> |
| Net position - beginning of year (as restated) | | | | | <u>210,475,585</u> | <u>69,414,339</u> | <u>279,889,924</u> |
| Net position - end of year | | | | | <u>\$ 196,194,369</u> | <u>\$ 66,981,075</u> | <u>\$ 263,175,444</u> |

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

| | <u>GENERAL</u> | <u>ONE PERCENT SALES TAX OF 1984</u> | <u>FIRE PROTECTION</u> | <u>GENERAL DEBT</u> |
|--|-----------------------------|--|----------------------------|----------------------------|
| ASSETS | | | | |
| Cash | \$ 2,457,641 | \$ - | \$ - | \$ 3,621,491 |
| Equity in pooled cash | 1,319,431 | 102,978 | 184 | 16,386 |
| Investments | - | - | - | - |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | |
| Taxes | 1,180,284 | - | - | - |
| Accounts | 2,800,229 | - | 96,017 | - |
| Intergovernmental | 3,535,923 | 2,034,886 | 24,516 | 668,404 |
| Special assessments - delinquent | 477 | - | - | - |
| Interest | 603,533 | - | - | 18 |
| Other | - | - | 201 | - |
| Due from other funds | 12,661,281 | 45,818 | 608,719 | - |
| Inventory, at cost | 67,553 | - | - | - |
| Prepaid items | 567,506 | - | - | - |
| Total assets | <u><u>\$ 25,193,858</u></u> | <u><u>\$ 2,183,682</u></u> | <u><u>\$ 729,637</u></u> | <u><u>\$ 4,306,299</u></u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 1,301,779 | \$ - | \$ 7,381 | \$ - |
| Contracts payable | - | - | - | - |
| Retainages payable | - | - | - | - |
| Accrued liabilities | 980,641 | - | 214,607 | - |
| Due to other funds | 9,648,084 | 2,143,150 | - | 463,138 |
| Due to other governments | 109,165 | - | - | - |
| Unearned revenues | 970,100 | - | 507,649 | - |
| Other liabilities | 62,124 | - | - | - |
| Total liabilities | <u><u>13,071,893</u></u> | <u><u>2,143,150</u></u> | <u><u>729,637</u></u> | <u><u>463,138</u></u> |
| Fund balances | | | | |
| Nonspendable | | | | |
| Prepaid items | 567,506 | - | - | - |
| Inventory | 67,553 | - | - | - |
| Restricted | | | | |
| Federal grants | - | - | - | - |
| Debt service | - | - | - | 3,843,161 |
| Capital projects | 585,522 | - | - | - |
| Law Enforcement | 1,640,142 | 40,532 | - | - |
| Committed | | | | |
| Encumbrances | 345,445 | - | - | - |
| Assigned | | | | |
| Subsequent year's expenditures | 2,397,898 | - | - | - |
| Unassigned | 6,517,899 | - | - | - |
| Total fund balances | <u><u>12,121,965</u></u> | <u><u>40,532</u></u> | <u><u>-</u></u> | <u><u>3,843,161</u></u> |
| Total liabilities and fund balances | <u><u>\$ 25,193,858</u></u> | <u><u>\$ 2,183,682</u></u> | <u><u>\$ 729,637</u></u> | <u><u>\$ 4,306,299</u></u> |

The accompanying notes are an integral part of this statement.

| GENERAL CAPITAL PROJECTS | CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| \$ 781,683 | \$ 109,344 | \$ 92,794 | \$ 7,062,953 |
| 24,315 | - | 560,797 | 2,024,091 |
| 5,611,455 | - | 600,664 | 6,212,119 |
| - | - | - | 1,180,284 |
| - | - | 732,730 | 3,628,976 |
| 1,530,939 | 1,331,020 | 329,057 | 9,454,745 |
| - | - | - | 477 |
| - | - | - | 603,551 |
| 30,305 | - | 543 | 31,049 |
| 7,985,042 | 818,827 | 252,848 | 22,372,535 |
| - | - | - | 67,553 |
| - | - | - | 567,506 |
| <u>\$ 15,963,739</u> | <u>\$ 2,259,191</u> | <u>\$ 2,569,433</u> | <u>\$ 53,205,839</u> |
| | | | |
| \$ 866,132 | \$ 50,558 | \$ 484,881 | \$ 2,710,731 |
| - | - | 1,230 | 1,230 |
| 16,135 | - | - | 16,135 |
| - | - | 100,846 | 1,296,094 |
| 437,883 | 2,357,441 | 688,988 | 15,738,684 |
| - | - | - | 109,165 |
| - | 316,234 | 129,279 | 1,923,262 |
| - | - | - | 62,124 |
| <u>1,320,150</u> | <u>2,724,233</u> | <u>1,405,224</u> | <u>21,857,425</u> |
| | | | |
| - | - | - | 567,506 |
| - | - | - | 67,553 |
| - | - | 413,166 | 413,166 |
| - | - | 751,043 | 4,594,204 |
| 13,204,193 | - | - | 13,789,715 |
| - | - | - | 1,680,674 |
| 1,439,396 | - | - | 1,784,841 |
| - | - | - | 2,397,898 |
| - | (465,042) | - | 6,052,857 |
| <u>14,643,589</u> | <u>(465,042)</u> | <u>1,164,209</u> | <u>31,348,414</u> |
| <u>\$ 15,963,739</u> | <u>\$ 2,259,191</u> | <u>\$ 2,569,433</u> | <u>\$ 53,205,839</u> |

**CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

| | |
|--|------------------------------|
| Fund balances - total governmental funds | \$ 31,348,414 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 219,155,787 |
| Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | (4,575,898) |
| Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. | 1,175,575 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | |
| Accrued interest payable | (365,365) |
| Compensated absences | (4,855,837) |
| OPEB Payable | (5,030,868) |
| Bonds, notes and loans payable (net of premiums, discounts and deferred charges) | <u>(40,657,439)</u> |
| Net position of governmental activities | <u><u>\$ 196,194,369</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | <u>GENERAL</u> | <u>ONE PERCENT SALES TAX OF 1984</u> | <u>FIRE PROTECTION</u> |
|--|----------------------|--|----------------------------|
| REVENUES | | | |
| Taxes | \$ 25,467,349 | \$ 11,088,391 | \$ 4,445,027 |
| Licenses and permits | 3,445,677 | - | - |
| Intergovernmental | 2,217,789 | - | 63,865 |
| Charges for services | 1,524,188 | - | 476 |
| Fines and forfeitures | 2,322,357 | - | - |
| Interest | 4,232 | - | 100 |
| Miscellaneous | 499,533 | - | 848 |
| | <u>35,481,125</u> | <u>11,088,391</u> | <u>4,510,316</u> |
| Total revenues | | | |
| | <u>35,481,125</u> | <u>11,088,391</u> | <u>4,510,316</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 10,886,333 | - | - |
| Public safety | 19,663,221 | - | 6,959,035 |
| Public works | 2,810,286 | - | - |
| Health and welfare | 398,757 | - | - |
| Culture and recreation | 4,337,822 | - | - |
| Transit and urban development | 362,821 | - | - |
| Debt service | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| Agent fees | - | - | - |
| Debt issuance costs | - | - | - |
| Miscellaneous | - | - | - |
| | <u>38,459,240</u> | <u>-</u> | <u>6,959,035</u> |
| Total expenditures | | | |
| | <u>38,459,240</u> | <u>-</u> | <u>6,959,035</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,978,115)</u> | <u>11,088,391</u> | <u>(2,448,719)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 8,335,012 | - | 2,427,289 |
| Transfers out | (6,952,512) | (11,047,859) | - |
| Long-term debt issued | - | - | - |
| Payment to refunded bond escrow agent | - | - | - |
| Proceeds of refunding bonds | - | - | - |
| | <u>1,382,500</u> | <u>(11,047,859)</u> | <u>2,427,289</u> |
| Total other financing sources and uses | | | |
| | <u>1,382,500</u> | <u>(11,047,859)</u> | <u>2,427,289</u> |
| Net change in fund balances | (1,595,615) | 40,532 | (21,430) |
| Fund balances - beginning of year (as restated) | <u>13,717,580</u> | <u>-</u> | <u>21,430</u> |
| Fund balances - end of year | <u>\$ 12,121,965</u> | <u>\$ 40,532</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

| GENERAL CAPITAL PROJECTS | CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|
| \$ - | \$ - | \$ 3,655,541 | \$ 48,702,710 |
| - | - | - | 3,445,677 |
| 3,662,209 | - | 1,095,614 | 7,039,477 |
| 168,366 | - | 2,926,301 | 4,619,331 |
| - | - | - | 2,322,357 |
| 7,073 | 35 | 321 | 15,273 |
| 246,331 | (20) | - | 746,692 |
| <u>4,083,979</u> | <u>15</u> | <u>7,677,777</u> | <u>66,891,517</u> |
| 814,000 | - | - | 11,700,333 |
| 7,156 | - | - | 26,629,412 |
| 3,087,234 | 488,644 | 8,271,188 | 14,657,352 |
| - | - | - | 398,757 |
| 1,757,056 | - | - | 6,094,878 |
| 1,010,606 | - | 713,481 | 2,086,908 |
| - | - | 1,625,653 | 5,483,832 |
| - | - | 902,857 | 1,794,687 |
| - | - | - | - |
| - | - | 166,797 | 166,797 |
| - | - | - | 36,000 |
| <u>6,676,052</u> | <u>488,644</u> | <u>11,679,976</u> | <u>69,048,956</u> |
| <u>(2,592,073)</u> | <u>(488,629)</u> | <u>(4,002,199)</u> | <u>(2,157,439)</u> |
| 4,715,916 | - | 3,348,869 | 19,747,075 |
| (1,125,377) | - | (646,063) | (19,771,811) |
| - | 424,838 | - | 424,838 |
| - | - | (8,725,000) | (8,725,000) |
| - | - | 9,205,000 | 9,205,000 |
| <u>3,590,539</u> | <u>424,838</u> | <u>3,182,806</u> | <u>880,102</u> |
| 998,466 | (63,791) | (819,393) | (1,277,337) |
| <u>13,645,123</u> | <u>(401,251)</u> | <u>1,983,602</u> | <u>32,625,751</u> |
| <u>\$ 14,643,589</u> | <u>\$ (465,042)</u> | <u>\$ 1,164,209</u> | <u>\$ 31,348,414</u> |

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances, total governmental funds \$ (1,277,337)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense:

| | |
|---|--------------|
| Capital outlays | 1,147,333 |
| Depreciation expense | (17,061,759) |
| Contributed capital to business-type activities | (1,177,687) |

In the statement of activities, only the gain on the sale of capital assets is reported, while 99
in the governmental funds, the proceeds from the sale increases financial resources.
Thus, the change in net position differs from the change in fund balance by the cost of the
capital assets sold.

Certain governmental revenues will not be collected for several months after (314,716)
year-end and are deferred in the governmental funds.

The issuance of long-term debt (bonds, leases, etc.) provides current financial 4,827,468
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net position. Also,
governmental funds report the effect of premiums, discounts,
and similar items when debt is issued, whereas the amounts are deferred
and amortized in the statement of activities. This amount is the net effect of
these differences in the treatment of long-term debt and related items.

Payment of compensated absences is reported as expenditures in the governmental
funds when actually paid. However, on the statement of activities compensated
absences are expensed as they are accrued. This is the change in the
compensated absence liability. (258,336)

Payment of other post employment benefits is reported as expenditures in the
governmental funds when actually paid. However, on the statement of activities other
post employment benefits are expensed as they are accrued. This is the change in the
other post employment liability. (106,299)

Internal service funds are used by management to charge the costs of
insurance to individual funds. The net revenue (expense) of internal
service funds are reported with governmental activities. (59,982)

Change in net position of governmental activities \$ (14,281,216)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|--|--|--|---------------------|---|
| | DEPARTMENT OF WASTEWATER OPERATIONS | CIVIC CENTER OPERATIONS | TOTAL | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | \$ 13,785,188 | \$ 453,297 | \$ 14,238,485 | \$ 606,022 |
| Equity in pooled cash | - | - | - | - |
| Investments | - | - | - | - |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | |
| Accounts | - | - | - | - |
| Intergovernmental | 474,256 | 170,267 | 644,523 | - |
| Service charges | 1,468,546 | 21,607 | 1,490,153 | - |
| Other | | 32,176 | 32,176 | - |
| Due from other funds | 288,765 | - | 288,765 | - |
| Restricted cash | 1,509,902 | - | 1,509,902 | - |
| Prepaid expenses | - | - | - | - |
| Refundable deposits | 3,669 | - | 3,669 | - |
| Total current assets | 17,530,326 | 677,347 | 18,207,673 | 606,022 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | - | 3,798,726 | 3,798,726 | - |
| Buildings and improvements | 93,867,064 | 20,878,400 | 114,745,464 | - |
| Improvements other than buildings | - | 1,754,533 | 1,754,533 | - |
| Furniture and fixtures | 13,319,446 | 4,847,203 | 18,166,649 | - |
| Vehicles and field equipment | 1,344,350 | - | 1,344,350 | - |
| Capitalized interest | 26,017 | - | 26,017 | - |
| Construction in progress | 7,885,136 | - | 7,885,136 | - |
| Less: accumulated depreciation | (59,083,643) | (14,329,304) | (73,412,947) | - |
| Total capital assets, net | 57,358,370 | 16,949,558 | 74,307,928 | - |
| Total noncurrent assets | 57,358,370 | 16,949,558 | 74,307,928 | - |
| Total assets | 74,888,696 | 17,626,905 | 92,515,601 | 606,022 |
| DEFERRED OUTFLOWS OF RESOURCES | - | - | - | - |

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2013

| | <u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u> | | | <u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u> |
|---|--|--|----------------------|---|
| | <u>DEPARTMENT OF WASTEWATER OPERATIONS</u> | <u>CIVIC CENTER OPERATIONS</u> | <u>TOTAL</u> | |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 560,174 | \$ 162,495 | \$ 722,669 | \$ 6,681 |
| Retainage payable | - | 74,335 | 74,335 | - |
| Estimated claims payable | - | - | - | 4,707,539 |
| Current portion of mortgage payable | - | - | - | - |
| Accrued liabilities | - | 39,979 | 39,979 | - |
| Deposits on future events | - | 176,196 | 176,196 | - |
| Due to other funds | 4,744,315 | 1,710,606 | 6,454,921 | 467,700 |
| Bonds payable | 435,000 | - | 435,000 | - |
| Unearned revenue | - | - | - | - |
| Total current liabilities | <u>5,739,489</u> | <u>2,163,611</u> | <u>7,903,100</u> | <u>5,181,920</u> |
| NONCURRENT LIABILITIES | | | | |
| Bonds payable | <u>17,631,426</u> | <u>-</u> | <u>17,631,426</u> | <u>-</u> |
| Total noncurrent liabilities | <u>17,631,426</u> | <u>-</u> | <u>17,631,426</u> | <u>-</u> |
| Total liabilities | 23,370,915 | 2,163,611 | 25,534,526 | - |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | |
| Invested in capital assets, net of related debt | 39,291,944 | 16,949,558 | 56,241,502 | - |
| Restricted for capital projects | 13,558,624 | - | 13,558,624 | - |
| Restricted for debt service | 1,509,902 | - | 1,509,902 | - |
| Unrestricted | <u>(2,842,689)</u> | <u>(1,486,264)</u> | <u>(4,328,953)</u> | <u>(4,575,898)</u> |
| Total net position | <u>\$ 51,517,781</u> | <u>\$ 15,463,294</u> | <u>\$ 66,981,075</u> | <u>\$ (4,575,898)</u> |

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES |
|--|--|--------------------------------|---------------|--------------------------------|
| | DEPARTMENT OF WASTEWATER OPERATIONS | CIVIC CENTER OPERATIONS | TOTAL | INTERNAL SERVICE FUNDS |
| OPERATING REVENUES | | | | |
| Charges for services | 6,323,934 | \$ 1,297,089 | \$ 7,621,023 | \$ 5,516,564 |
| Miscellaneous | - | 42,666 | 42,666 | - |
| Total operating revenues | 6,323,934 | 1,339,755 | 7,663,689 | 5,516,564 |
| OPERATING EXPENSES | | | | |
| Supplies and other expenses | (2,444) | 72,399 | 69,955 | - |
| Building and maintenance expenses | 201,741 | 522,861 | 724,602 | - |
| Outside services | 6,320,408 | 1,237,448 | 7,557,856 | 91,550 |
| Insurance claims | - | - | - | 733,681 |
| Insurance premiums | - | 87,210 | 87,210 | 4,756,392 |
| Depreciation | 2,731,631 | 1,248,231 | 3,979,862 | - |
| Other | 15,360 | 60,481 | 75,841 | - |
| Total operating expenses | 9,266,696 | 3,228,630 | 12,495,326 | 5,581,623 |
| Operating income (loss) | (2,942,762) | (1,888,875) | (4,831,637) | (65,059) |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Ad valorem taxes | 595,762 | - | 595,762 | - |
| Hotel/motel taxes | - | 392,694 | 392,694 | - |
| Cable television franchise fees | - | 388,754 | 388,754 | - |
| Intergovernmental | 60,101 | 96,297 | 156,398 | - |
| Interest income | 12,169 | 582 | 12,751 | 277 |
| Interest expense | (643,049) | - | (643,049) | - |
| Bond issuance expense | (115,659) | - | (115,659) | - |
| Loss on disposal of assets | - | (483,861) | (483,861) | - |
| Total non-operating revenues (expenses) | (90,676) | 394,466 | 303,790 | 277 |
| Income (loss) before contributions, transfers and extraordinary item | (3,033,438) | (1,494,409) | (4,527,847) | (64,782) |
| Capital contributions | 1,308,178 | 766,469 | 2,074,647 | - |
| Transfers in (out) | 19,936 | - | 19,936 | 4,800 |
| Change in net position | (1,705,324) | (727,940) | (2,433,264) | (59,982) |
| Net position - beginning of year (as restated) | 53,223,105 | 16,191,234 | 69,414,339 | (4,515,916) |
| Net position - end of year | 51,517,781 | \$ 15,463,294 | \$ 66,981,075 | \$ (4,575,898) |

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|---|--|--|---------------|---|
| | DEPARTMENT OF WASTEWATER OPERATIONS | CIVIC CENTER OPERATIONS | TOTAL | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Receipts from customers | \$ 6,480,694 | \$ 1,307,702 | \$ 7,788,396 | \$ 5,516,564 |
| Payments to suppliers | (6,335,995) | (2,152,678) | (8,488,673) | (5,701,374) |
| Internal activity - payments (to)/from other funds | 228,986 | 665,317 | 894,303 | (54,520) |
| Net cash provided (used) by operating activities | 373,685 | (179,659) | 194,026 | (239,330) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Ad valorem taxes | 595,762 | - | 595,762 | - |
| Hotel/motel taxes | - | 367,965 | 367,965 | - |
| Cable television franchise fees | - | 389,910 | 389,910 | - |
| Internal activity - receipts from other funds | (443,727) | - | (443,727) | 4,800 |
| Net cash provided by noncapital financing activities | 152,035 | 757,875 | 909,910 | 4,800 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Intergovernmental | (62,928) | - | (62,928) | - |
| Principal payments - mortgage payable | - | - | - | - |
| Internal activity - payments from (to) other funds | 19,936 | - | 19,936 | - |
| Purchase of capital assets | - | (1,691,857) | (1,691,857) | - |
| Net cash provided (used) by capital and related financing activities | (42,992) | (1,691,857) | (1,734,849) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Proceeds from sales and maturities of investments | - | 1,001,659 | 1,001,659 | - |
| Purchase of investments | - | - | - | - |
| Capitalized interest expense | (26,017) | - | (26,017) | - |
| Interest expense | (643,049) | - | (643,049) | - |
| Bond issuance costs | (115,659) | - | (115,659) | - |
| Interest and dividends received | 12,169 | 582 | 12,751 | 276 |
| Net cash provided (used) by investing activities | (772,556) | 1,002,241 | 229,685 | 276 |
| Net increase (decrease) in cash and cash equivalents | (289,828) | (111,400) | (401,228) | (234,254) |
| Cash and cash equivalents, beginning of year | 15,584,918 | 564,696 | 16,149,614 | 840,276 |
| Cash and cash equivalents, end of year | \$ 15,295,090 | \$ 453,296 | \$ 15,748,386 | \$ 606,022 |

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|---|--|--|-------------------|---|
| | DEPARTMENT OF WASTEWATER OPERATIONS | CIVIC CENTER OPERATIONS | TOTAL | |
| Reconciliation to Statement of Net Position: | | | | |
| Cash | \$ 15,295,090 | \$ 453,297 | \$ 15,748,387 | \$ 606,022 |
| Equity in pooled cash | - | - | - | - |
| Cash and cash equivalents, end of year | \$ 15,295,090 | \$ 453,297 | \$ 15,748,387 | \$ 606,022 |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | | |
| Operating income (loss) | \$ (2,942,762) | \$ (1,888,875) | \$ (4,831,637) | \$ (65,059) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 2,731,631 | 1,248,231 | 3,979,862 | - |
| Change in current assets and current liabilities: | | | | |
| Decrease (increase) in receivables | 228,665 | (4,373) | 224,292 | - |
| Decrease (increase) in due from other funds | 7,979 | - | 7,979 | - |
| Decrease (increase) in prepaid expenses | 44,291 | - | 44,291 | - |
| Increase (decrease) in accounts payable | 154,777 | (177,736) | (22,959) | (188) |
| Increase (decrease) in deferred revenue | (71,904) | - | (71,904) | - |
| Increase (decrease) in accrued liabilities | - | 5,456 | 5,456 | - |
| Increase (decrease) in estimated claims payable | - | - | - | (119,563) |
| Increase (decrease) in due to other funds | 221,008 | 665,317 | 886,325 | (54,520) |
| Increase (decrease) in deposits on future events | - | (27,679) | (27,679) | - |
| Total adjustments | 3,316,447 | 1,709,216 | 5,025,663 | (174,271) |
| Net cash provided by (used for) operating activities | \$ 373,685 | \$ (179,659) | \$ 194,026 | \$ (239,330) |
| Noncash investing, capital, and financing activities: | | | | |
| Contributions of capital | \$ 1,308,178 | \$ 766,469 | \$ 2,074,647 | \$ - |
| Acquisitions of property, plant and equipment through capital contributions | (1,308,178) | (766,469) | (2,074,647) | - |
| Gain on fair market value of investments | - | - | - | - |
| (Increase) in fair market value of investments | - | - | - | - |
| Net effect of noncash activities | \$ - | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

| | <u>AIRPORT SALES TAX FUND</u> |
|---|--|
| ASSETS | |
| Receivables (net, where applicable, of allowance for uncollectibles) | |
| Intergovernmental | <u>\$ 306,968</u> |
| Total assets | <u><u>\$ 306,968</u></u> |
| LIABILITIES | |
| Due to other governments | <u>\$ 306,968</u> |
| Total liabilities | <u><u>\$ 306,968</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

| | AIRPORT SALES TAX FUND | | | |
|--------------------------|--|-------------------------|--------------------------|--|
| | <u>BALANCE</u> <u>6/30/12</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>6/30/13</u> |
| ASSETS | | | | |
| Equity in pooled cash | \$ - | \$ 837,503 | \$ 837,503 | \$ - |
| Intergovernmental | <u>261,423</u> | <u>591,159</u> | <u>545,614</u> | <u>306,968</u> |
| Total assets | <u>\$ 261,423</u> | <u>\$ 1,428,662</u> | <u>\$ 1,383,117</u> | <u>\$ 306,968</u> |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ 261,423</u> | <u>\$ 306,966</u> | <u>\$ 261,421</u> | <u>\$ 306,968</u> |
| Total liabilities | <u>\$ 261,423</u> | <u>\$ 306,966</u> | <u>\$ 261,421</u> | <u>\$ 306,968</u> |

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994
Sales Tax Bonds Series 1995A
Sales Tax Bonds Series 2003
LDEQ Taxable Sewer Revenue Bond, Series 2009

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees as well as Community Development Block Grants.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds, and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA).

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports one fiduciary fund, which is an agency fund and it accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents a statement of fiduciary assets and liabilities and a statement of changes in assets and liabilities.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for unearned revenue is removed from the governmental fund balance sheet and revenue is recognized.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Street Lighting Fund
- Streets and Drainage
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds, the General Capital Projects Fund and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the statement of net position, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

All investments are reported at fair value with gains and losses included in the statement of revenues, expenditures and changes in fund balance.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7. INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8. CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. CAPITAL ASSETS (CONTINUED)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

| <u>Asset Description</u> | <u>Asset Life</u> |
|-------------------------------------|-------------------|
| Buildings and Building Improvements | 40 |
| Street system | 20 to 40 |
| Drainage system | 25 |
| Office Equipment | 5 to 12 |
| Machinery and Equipment | 10 |
| Vehicles | 5 |
| Bridges | 40 to 80 |
| Sewerage system | 10 to 50 |

9. INTANGIBLE ASSETS

The City has a policy to capitalize any intangible assets which exceed \$50,000 in accordance with Governmental Accounting Standards Board Statement (GASBS) No. 51, "*Accounting and Financial Reporting for Intangible Assets.*"

10. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

11. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. FUND EQUITY

In the government-wide financial statements, net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, fund balance is classified in the following components:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.
- Restricted fund balance—amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained for specific purposes that are internally imposed by the City Council itself, using its highest level of decision-making authority through an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the City or by an official or body to which the City delegates the authority. Under the City's policy, the Mayor and City Council may assign amounts for specific purposes and the City Council can approve.
- Unassigned fund balance—the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions. The City does not have a formal minimum fund balance policy.

13. INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

15. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, redefined the residual of all other elements presented in the statement of financial position from "Net Assets" to "Net Position". In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* established standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The following GASB statements were also effective, but did not impact the financial statements of the City of Kenner, Louisiana: GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*- an amendment of GASB Statements No. 14 and No. 34; and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance* contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2. BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund and the Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2013 is presented as a note in required supplementary information.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2013, the City of Kenner has cash (book balances) totaling \$25,441,269 as follows:

| | |
|-------------------------|----------------------|
| Governmental Funds: | |
| Petty cash | \$ 4,600 |
| Demand deposits | 19,924,727 |
| Money market funds | 2,767,316 |
| Proprietary Funds: | |
| Enterprise Funds | |
| Petty cash | 500 |
| Demand deposits | 1,948,267 |
| Advance to manager | 190,021 |
| Internal Service Funds: | |
| Demand deposits | <u>606,022</u> |
| | <u>\$ 25,441,453</u> |

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2013, the City's demand deposits and money market funds bank balances of \$27,201,803 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The City's trust accounts are secured by perfected liens on Regions Bank's securities in an amount not less than 105% of the total excess deposits.

Restricted cash

Certain assets of the Wastewater Fund and the Debt Service Funds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2013 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2013, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of government-sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2013, the City had the following investment in debt securities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> | | | |
|--|--------------------|---|--------------|--------------|------------------------|
| | | <u>Less Than 1</u> | <u>1-5</u> | <u>6-10</u> | <u>Greater Than 10</u> |
| Obligations of Government-Sponsored Entities | <u>\$6,212,119</u> | <u>\$6,212,119</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federal agencies or federally sponsored entities in the amount of \$6,212,119, which are rated AAA. The type of investments allowed by state law ensures that the City is not exposed to credit risk.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE D - EQUITY IN POOLED CASH

A reconciliation of total equity in pooled cash is presented below.

| | <u>General Pool</u> | <u>Paving Assessments Pool</u> | <u>Sewerage Assessments Pool</u> | <u>Total</u> |
|---------------------------------------|-------------------------|--|--|---------------------|
| <u>Equity in Pooled Cash</u> | | | | |
| Cash | \$ <u>1,736,330</u> | \$ <u>282,346</u> | \$ <u>5,415</u> | \$ <u>2,024,091</u> |
| Total Equity in Pooled Cash | \$ <u>1,736,330</u> | \$ <u>282,346</u> | \$ <u>5,415</u> | \$ <u>2,024,091</u> |
| <u>Equity in Pool</u> | | | | |
| General | \$ 1,048,055 | \$ 265,960 | \$ 5,415 | \$ 1,319,430 |
| Sales Tax Fund | 102,978 | - | - | 102,978 |
| General Debt | - | 16,386 | - | 16,386 |
| Internal Service Funds | - | - | - | - |
| Consolidated General Capital Projects | 24,315 | - | - | 24,315 |
| Nonmajor Governmental | <u>560,982</u> | <u>-</u> | <u>-</u> | <u>560,982</u> |
| Total Equity in Pool | \$ <u>1,736,330</u> | \$ <u>282,346</u> | \$ <u>5,415</u> | \$ <u>2,024,091</u> |

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2013, consists of the following amounts:

| | |
|-------------------------------------|-------------------|
| General Fund | \$ <u>877,578</u> |
| Proprietary Funds: | |
| Department of Wastewater Operations | \$ <u>56,755</u> |

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2012 through June 30, 2013 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes $\frac{1}{6}\%$ retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

| <u>Effective Date</u> | <u>Parish-Wide Rate</u> | <u>School Board Rate</u> | <u>City Rate</u> |
|---------------------------|------------------------------------|------------------------------|-------------------------------------|
| 1954 | 1% | $\frac{1}{2}\%$ | $\frac{1}{2}\%$ |
| 1966 | 1% | $\frac{1}{2}\%$ | $\frac{1}{2}\%$ |
| 1980 | $\frac{1}{2}\%$ | $\frac{1}{2}\%$ | - |
| 1981 | $\frac{1}{2}\%$ | - | $\frac{1}{3}\%$ |
| 1984 | 1% | - | 1 |
| 1993 | $\frac{1}{2}\%$ | $\frac{1}{2}\%$ | - |
| 1994 | $\frac{1}{4}\%$ | - | $\frac{1}{4}\%$ |
| TOTAL | <u>$4\frac{3}{4}\%$</u> | <u>2%</u> | <u>$2\frac{7}{12}\%$</u> |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE F - SALES TAX (CONTINUED)

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2012, which are collected and reported as revenue for the fiscal year ended June 30, 2013 is as follows:

| <u>FUND</u> | <u>2012 MILLS</u> |
|--|-----------------------|
| General Fund | \$ 2.01 |
| Garbage Collection and Disposal Fund | 1.55 |
| Fire Department Fund | 7.15 |
| Department of Wastewater Operations Fund | 1.10 |
| Capital Projects for Road Bonds Fund | <u>5.70</u> |
| Total | <u>\$ 17.51</u> |

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

| | <u>June 30, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Completed Construction</u> | <u>June 30, 2013</u> |
|--|----------------------|------------------|--------------------|-----------------------------------|----------------------|
| Governmental Activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 9,674,378 | \$ - | \$ - | \$ - | \$ 9,674,378 |
| Construction-in-progress | <u>18,538,982</u> | <u>209,165</u> | <u>(1,177,687)</u> | <u>(7,555,086)</u> | <u>10,015,374</u> |
| Total capital assets not being depreciated | <u>28,213,360</u> | <u>209,165</u> | <u>(1,177,687)</u> | <u>(7,555,086)</u> | <u>19,689,752</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and building improvements | 53,333,397 | - | - | 3,294,601 | 56,627,998 |
| Improvements other than buildings | 6,773,788 | 116,713 | - | 1,080,629 | 7,971,130 |
| Street system | 275,946,370 | - | - | 1,134,442 | 277,080,812 |
| Drainage system | 370,623,467 | - | - | 119,065 | 370,742,532 |
| Furniture, fixtures and equipment | 18,306,766 | 129,761 | (45,644) | 119,127 | 18,510,010 |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE H - CAPITAL ASSETS (CONTINUED)

| | <u>June 30, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Completed Construction</u> | <u>June 30, 2013</u> |
|---|-----------------------|------------------------|-----------------------|-----------------------------------|-----------------------|
| Vehicles | \$ 13,339,276 | \$ 691,694 | \$ (1,303,821) | \$ 311,928 | \$ 13,039,077 |
| Bridges | <u>2,787,808</u> | <u>-</u> | <u>-</u> | <u>1,495,294</u> | <u>4,283,102</u> |
| Total capital assets being depreciated | <u>741,110,872</u> | <u>938,168</u> | <u>(1,349,465)</u> | <u>7,555,086</u> | <u>748,254,661</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and building improvements | 31,361,632 | 1,084,245 | - | - | 32,445,877 |
| Improvements other than buildings | 1,573,452 | 362,770 | - | - | 1,936,222 |
| Street system | 178,835,142 | 6,864,228 | - | - | 185,699,370 |
| Drainage system | 297,144,596 | 7,127,563 | - | - | 304,272,159 |
| Furniture, fixtures and equipment | 13,003,147 | 685,617 | (45,644) | - | 13,643,120 |
| Vehicles | 10,368,682 | 837,616 | (1,303,920) | - | 9,902,378 |
| Bridges | <u>789,780</u> | <u>99,720</u> | <u>-</u> | <u>-</u> | <u>889,500</u> |
| Total accumulated depreciation | <u>533,076,431</u> | <u>17,061,759</u> | <u>(1,349,564)</u> | <u>-</u> | <u>548,788,626</u> |
| Total capital assets being depreciated, net | <u>208,034,441</u> | <u>(16,123,591)</u> | <u>99</u> | <u>7,555,086</u> | <u>199,466,035</u> |
| Governmental activities capital assets, net | <u>\$ 236,247,801</u> | <u>\$ (15,914,426)</u> | <u>\$ (1,177,588)</u> | <u>\$ -</u> | <u>\$ 219,155,787</u> |

Business-Type Activities

| | <u>June 30, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Completed Construction</u> | <u>June 30, 2013</u> |
|--|----------------------|------------------|-------------------|-----------------------------------|----------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 3,798,726 | \$ - | \$ - | \$ - | \$ 3,798,726 |
| Capitalized interest | - | 26,017 | - | - | 26,017 |
| Construction in progress | <u>16,909,757</u> | <u>3,229,161</u> | <u>-</u> | <u>12,253,782</u> | <u>7,885,136</u> |
| Total capital assets not being depreciated | <u>20,708,483</u> | <u>3,255,178</u> | <u>-</u> | <u>12,253,782</u> | <u>11,709,879</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and building improvements | 101,313,995 | 1,177,687 | - | 12,253,782 | 114,745,464 |
| Improvements other than buildings | 1,754,533 | - | - | - | 1,754,533 |
| Furniture, fixtures and equipment | 17,381,604 | 1,766,192 | 981,144 | - | 18,166,652 |
| Vehicles | <u>1,344,350</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,344,350</u> |
| Total capital assets being depreciated | <u>121,794,482</u> | <u>2,943,879</u> | <u>981,144</u> | <u>12,253,782</u> | <u>136,010,999</u> |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE H - CAPITAL ASSETS (CONTINUED)

| | <u>June 30, 2012</u> | <u>Additions</u> | <u>Reductions</u> | <u>Completed Construction</u> | <u>June 30, 2013</u> |
|--|----------------------|---------------------|---------------------|-------------------------------|----------------------|
| Less accumulated depreciation for: | | | | | |
| Buildings and building | | | | | |
| Improvements | \$ 54,071,688 | \$ 3,578,338 | \$ - | \$ - | \$ 57,650,026 |
| Improvements | | | | | |
| other than buildings | 1,526,076 | 47,958 | - | - | 1,574,034 |
| Furniture, fixtures and | | | | | |
| equipment | 13,030,248 | 347,105 | 497,284 | - | 12,880,069 |
| Vehicles | <u>1,302,361</u> | <u>6,460</u> | <u>-</u> | <u>-</u> | <u>1,308,821</u> |
| Total accumulated depreciation | <u>69,930,373</u> | <u>3,979,861</u> | <u>497,285</u> | <u>-</u> | <u>73,412,950</u> |
| Total capital assets being depreciated, net | <u>51,864,109</u> | <u>(1,035,982)</u> | <u>(483,860)</u> | <u>12,253,782</u> | <u>62,598,049</u> |
| Business-type activities capital assets, net | <u>\$ 72,572,592</u> | <u>\$ 2,219,196</u> | <u>\$ (483,860)</u> | <u>\$ -</u> | <u>\$ 74,307,928</u> |

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

| | |
|------------------------|--------------|
| General government | \$ 233,936 |
| Public safety | 1,297,987 |
| Public works | 14,460,626 |
| Culture and recreation | 1,066,475 |
| Health and Welfare | <u>2,735</u> |

Total depreciation expense - governmental activities \$ 17,061,759

Business-type activities:

| | |
|-------------------------|------------------|
| Wastewater Operations | \$ 2,731,631 |
| Civic Center Operations | <u>1,248,230</u> |

Total depreciation expense - business-type activities \$ 3,979,861

3. Construction in progress for governmental activities is comprised of the following:

| | <u>Project/Contract Authorization June 30, 2013</u> | <u>Expended to June 30, 2013</u> | <u>Committed</u> | <u>Required Future Financing</u> |
|------------------------|---|----------------------------------|---------------------|----------------------------------|
| General government | \$ 1,686,592 | \$ 996,761 | \$ 689,831 | \$ 689,831 |
| Public works | 11,522,491 | 8,295,763 | 3,226,728 | 3,226,728 |
| Public safety | -- | -- | -- | -- |
| Culture and recreation | <u>1,277,611</u> | <u>722,850</u> | <u>554,761</u> | <u>554,761</u> |
| Total | <u>\$ 14,486,694</u> | <u>\$ 10,015,374</u> | <u>\$ 4,471,320</u> | <u>\$ 4,471,320</u> |

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2013 includes the following serial bonds and certificates:

| | <u>Interest Rates</u> | <u>Final Maturity Date</u> | <u>Amount Authorized</u> | <u>Amount Incurred</u> | <u>Amount Outstanding</u> |
|--|---------------------------|------------------------------------|------------------------------|----------------------------|-------------------------------|
| Sales Tax Bond, Series 2003 | 3.05 – 5.0% | 6/01/2018 | \$35,895,000 | \$ 35,895,000 | \$ 14,020,000 |
| Sales Tax Bonds, Series 1994 | 2.45% | 6/01/2016 | 11,427,803 | 11,427,803 | 2,160,000 |
| Sales Tax Bonds, Series 1995A | 2.45% | 6/01/2016 | \$1,462,875 | 1,462,875 | 260,000 |
| Sewer Revenue Bonds, Series 2011 | 3.0 – 5.0% | 11/1/2036 | 16,000,000 | 16,000,000 | 16,000,000 |
| 2013 Refunding Kenner Road Bonds | 1.25% | 3/1/2018 | 9,205,000 | 9,205,000 | 9,205,000 |
| LDEQ loan, Sewer Revenue Bonds, Series 2009 | 0.95% | 11/1/2030 | 22,000,000 | 13,109,625 | 12,848,469 |
| Firemen's Pension Merger Payable #1 | 7.00% | 3/27/2029 | 1,190,000 | 1,190,000 | 905,121 |
| Firemen's Pension Merger Payable #2 | 7.00% | 3/27/2029 | 1,770,738 | 1,770,738 | 1,348,012 |
| LQEQ loan, Sewer Revenue Bonds, Series 2012 | 0.95% | 11/1/2034 | 21,000,000 | <u>2,066,426</u> | <u>2,066,426</u> |
| Total Bonds | | | | <u>\$ 92,127,467</u> | <u>\$ 58,813,028</u> |

Additional information pertaining to the foregoing bonds and certificates is as follows:

a. Sales Tax Bonds

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2013, bonds outstanding were \$14,020,000, \$2,160,000 and \$260,000, respectively.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2013 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2013, the loan had an outstanding balance of \$2,160,000. Total interest and administrative fees paid during the year ended June 30, 2013 were \$69,580 and \$14,200, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2013, the loan had an outstanding balance of \$260,000. Total interest and administrative fees paid during the year ended June 30, 2013 were \$8,453 and \$1,725, respectively.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - LONG-TERM DEBT (CONTINUED)

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)

a. Sales Tax Bonds (Continued)

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

b. Taxable Sewer Revenue Bonds

Sewer Revenue Bonds, Series 2009, 2011 and 2012 were issued for the purpose of paying a portion of acquiring and constructing additions, extensions and improvements to the Sewer System.

2. FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with FRS on March 25, 1999 regarding the payment of the merger liability. The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787. The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. Interest expense during the year was \$64,526. At June 30, 2013, the merger payable for this component had a total outstanding balance of \$905,121.

\$1,770,738 of the liability is payable annually at a rate of 7%. Interest expense during the year was \$97,523. At June 30, 2013, the merger payable for this component had a total outstanding balance of \$1,348,012.

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana.

3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan proceeds of \$22,000,000 were received in April 2003. The loan was advance refunded in June 2013. As of June 30, 2013, \$8,725,000 of the loan was outstanding but the liability is no longer on the City's books.

On June 1, 2013 the City issued \$9,205,000 of Series 2013 Kenner Road Project Refunding Bonds to advance refund \$8,725,000 of the outstanding Series 2003 Bonds which financed the construction, acquisition, and improvement of the streets in the City of Kenner. The bonds mature serially March 1, 2014 through March 1, 2018. The bonds bear interest at various rates, ranging from 4.00% to 4.40%. At June 30, 2013 and 2012, \$9,205,000 of the bonds were outstanding.

The interest rate on the Series 2013 bonds is 1.250% whereas interest rates on the Series 2003 bonds ranged from 4.00% to 4.40%. This decrease in interest rates resulted in an economic gain on the current refunding of \$346,220 (the difference between the present values of the Series 2003 and Series 2013 cash flows). The current refunding results in a reduction of debt service payments in the amount of \$355,315 through the maturity of the bonds in March 2018.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - LONG-TERM DEBT (CONTINUED)

3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN (Continued)

The reacquisition price in the advance refunding of the Series 2003 bonds by the Series 2013 bonds was \$313,203 more than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2018 using the straight line method.

Issuance of the Series 2013 refunding bonds resulted in net proceeds of \$9,038,203 (after payment of issuance costs), which was deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2003 bonds.

As a result, the Series 2003 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. At June 30, 2013 \$8,725,000 of the defeased bonds were outstanding. The bonds were redeemed in July 2013 at 102% of the principal amount plus accrued interest.

4. LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000 with an interest rate of .95%. As of June 30, 2013, \$12,848,469 was outstanding. The City has drawn a total of \$13,109,625 through June 30, 2013. Total interest and administrative fees paid during the year ended June 30, 2013 were \$49,961 and \$55,513, respectively.

In 2012, the City executed another loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2012 authorized a loan amount of \$21,000,000 with an interest rate of .95%. As of June 30, 2013, \$2,066,426 was outstanding. The City has drawn a total of \$2,066,426 through June 30, 2013. Total interest and administrative fees paid during the year ended June 30, 2013 were \$1,571 and \$1,745, respectively.

Interest incurred was \$669,066 for business-type activities, and the amount capitalized was \$26,017.

5. GENERAL DEBT

Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates:

| | |
|------------------------------|---|
| Full time employees: | 1 day/month not to exceed 12 days/year |
| Regular part time employees: | 1/2 day/month not to exceed 6 days/year |

Employees earn annual leave in varying amounts according to years of service as follows:

| <u>Service (years)</u> | <u>Amount</u> |
|------------------------------|-----------------|
| Full time employees: | |
| 0 - 5 | 1 day/month |
| 5 - 10 | 1 1/2 day/month |
| over 10 | 2 days/month |
| Regular part time employees: | |
| 0 - 5 | 1/2 day/month |
| 5 - 10 | 3/4 day/month |
| over 10 | 1 day/month |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE I - LONG-TERM DEBT (CONTINUED)

General (Continued)

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted. This carry forward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax expense.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service up to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Firefighters receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

| <u>Years</u> <u>Service</u> | <u>Civil</u> <u>Service</u> <u>Amount</u> |
|--------------------------------|---|
| 0 - 1 Year | 0 Days |
| 1 - 10 Years | 15 Days |
| 10 - 20 Years | 20 Days |
| Over 20 Years | 25 Days |

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, he or she is paid for the annual leave remaining on the books.

Police personnel earn sick leave at the following rates:

| | |
|------------------------------|--|
| Full time employees: | 8 hours/month not to exceed 12 days (96 hours)/year |
| Regular part time employees: | $\frac{1}{2}$ day (4 hours)/month not to exceed 6 days (48 hours)/year |

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

The General Fund, CDBG Fund, Streets and Drainage Fund, Street Lighting Fund, and Fire Protection Fund have typically been used in prior years to liquidate the liability for compensated absences.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE I - LONG-TERM DEBT (CONTINUED)

6. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2013:

| | <u>Balance</u> <u>6/30/2012</u> | <u>Issues or</u> <u>Additions</u> | <u>Payments or</u> <u>Expenditures</u> | <u>Discount/</u> <u>(Premium)</u> | <u>Balance</u> <u>6/30/2013</u> | <u>Net of</u> <u>Unamortized</u> <u>Premium</u> <u>6/30/2013</u> | <u>Due Within</u> <u>One Year</u> |
|---------------------------------|------------------------------------|--------------------------------------|---|--------------------------------------|------------------------------------|---|--------------------------------------|
| Governmental Activities | | | | | | | |
| Sales Tax | | | | | | | |
| Revenue Bonds | \$ 20,008,776 | \$ - | \$ 3,265,000 | \$ (79,773) | \$ 16,664,003 | \$ 16,440,000 | \$ 3,365,000 |
| Note Payable | 2,328,787 | - | 75,653 | - | 2,253,133 | 2,253,133 | 81,019 |
| LCDA Series | | | | | | | |
| 2003 Loan | 10,346,623 | - | 10,275,000 | (71,623) | - | - | - |
| Refunding Kenner | | | | | | | |
| Road Project | - | 9,205,000 | - | - | 9,205,000 | 9,205,000 | 1,825,000 |
| Bonds Series 2013 | | | | | | | |
| LDEQ loan, Sewer | | | | | | | |
| Revenue Bonds, Series 2009 | 13,016,809 | 424,838 | 593,179 | - | 12,848,468 | 12,848,468 | 1,036,000 |
| Compensated | | | | | | | |
| Absences | <u>4,597,502</u> | <u>1,336,461</u> | <u>1,078,126</u> | <u>-</u> | <u>4,855,837</u> | <u>4,855,837</u> | <u>2,525,475</u> |
| Total | | | | | | | |
| Governmental | | | | | | | |
| Activities | <u>\$ 50,298,497</u> | <u>\$ 10,996,299</u> | <u>\$ 15,286,958</u> | <u>\$ (151,396)</u> | <u>\$ 45,826,441</u> | <u>\$ 45,602,438</u> | <u>\$ 8,832,494</u> |
| Business-type Activities | | | | | | | |
| Sewer Revenue | | | | | | | |
| Bonds 2011 | \$ 16,185,621 | \$ - | \$ (185,621) | \$ - | \$ 16,000,000 | \$ 16,000,000 | \$ 435,000 |
| LDEQ loan, Sewer | | | | | | | |
| Revenue Bonds 2012 | <u>177,952</u> | <u>1,888,474</u> | <u>-</u> | <u>-</u> | <u>2,066,426</u> | <u>2,066,426</u> | <u>-</u> |
| Total | | | | | | | |
| Business-Type | | | | | | | |
| Activities | <u>\$ 16,363,573</u> | <u>\$ 1,888,474</u> | <u>\$ (185,621)</u> | <u>\$ -</u> | <u>\$ 18,066,426</u> | <u>\$ 18,066,426</u> | <u>\$ 435,000</u> |

The annual requirements to maturity for sales tax bonds as of June 30, 2013 are as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------------|----------------------|-----------------|
| 2014 | \$ 3,365,000 | \$ 686,286 |
| 2015 | 3,470,000 | 577,989 |
| 2016 | 3,625,000 | 420,991 |
| 2017 | 2,925,000 | 270,732 |
| 2018 | <u>3,055,000</u> | <u>139,106</u> |
| | 16,440,000 | \$ 2,095,104 |
| Plus Bond Premium | <u>224,003</u> | |
| Net Debt Service Requirement | <u>\$ 16,664,003</u> | |

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2013 are as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------------|---------------------|---------------------|
| 2014 | \$ 81,019 | \$ 156,684 |
| 2015 | 86,764 | 150,938 |
| 2016 | 92,919 | 144,784 |
| 2017 | 99,509 | 138,194 |
| 2018-2022 | 613,976 | 574,537 |
| 2023-2027 | 864,896 | 323,617 |
| 2028-2029 | <u>414,050</u> | <u>37,603</u> |
| Debt Service Requirement | <u>\$ 2,253,133</u> | <u>\$ 1,526,357</u> |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE I - LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the LCDA Series 2013 Loan as of June 30, 2013 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|---------------------|-------------------|
| 2014 | \$ 1,825,000 | \$ 81,183 |
| 2015 | 1,810,000 | 92,250 |
| 2016 | 1,835,000 | 69,625 |
| 2017 | 1,855,000 | 46,688 |
| 2018 | <u>1,880,000</u> | <u>23,500</u> |
| Debt Service Requirement | <u>\$ 9,205,000</u> | <u>\$ 313,246</u> |

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2013 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|----------------------|-------------------|
| 2014 | \$ 1,036,000 | \$ 49,497 |
| 2015 | 1,044,000 | 44,817 |
| 2016 | 1,052,000 | 40,101 |
| 2017 | 1,061,000 | 35,347 |
| 2018 | 1,069,000 | 30,555 |
| 2019-2023 | 5,472,000 | 79,582 |
| 2024 | <u>2,114,468</u> | <u>1,763</u> |
| Debt Service Requirement | <u>\$ 12,848,468</u> | <u>\$ 281,662</u> |

The annual requirements to maturity for the Sewer Revenue Bonds Series 2011 as of June 30, 2013 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|-------------------|----------------------|
| 2014 | \$ 435,000 | \$ 657,050 |
| 2015 | 450,000 | 641,600 |
| 2016 | 465,000 | 627,875 |
| 2017 | 475,000 | 613,775 |
| 2018-2022 | 2,605,000 | 2,841,981 |
| 2023-2027 | 3,065,000 | 2,365,650 |
| 2028-2032 | 3,750,000 | 1,653,688 |
| 2033-2037 | <u>4,755,000</u> | <u>617,375</u> |
| Debt Service Requirement | <u>16,000,000</u> | <u>\$ 10,018,994</u> |

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2012 as of June 30, 2013 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> |
|---------------------------------|---------------------|------------------|
| 2014 | \$ - | \$ 7,271 |
| 2015 | - | 7,948 |
| 2016 | 958,000 | 5,792 |
| 2017 | <u>1,108,426</u> | <u>3,637</u> |
| Debt Service Requirement | <u>\$ 2,066,426</u> | <u>\$ 24,648</u> |

The loan has not been fully disbursed as of June 30, 2013. The annual future payments will change once all of the loan proceeds have been received.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE I - LONG-TERM DEBT (CONTINUED)

7. COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers at June 30, 2013 are as follows:

| | Transfer In: | | | | | | | | |
|------------------------------------|---------------------|-----------------------------------|----------------------|--------------------------|-----------------------|-----------------------|-------------------------------------|-------------------|----------------------|
| | General Fund | Community Development Block Grant | Fire Protection Fund | General Capital Projects | Nonmajor Governmental | Internal Service Fund | Department of Wastewater Operations | General Debt | Total |
| Transfer Out: | | | | | | | | | |
| General Fund | \$ - | \$ 482,156 | \$ 1,719,973 | \$ 4,069,853 | \$ 535,643 | \$ 4,800 | \$ 19,936 | \$ 120,000 | \$ 6,952,362 |
| One Percent Sales Tax of 1984 Fund | 8,009,473 | - | 707,316 | - | 2,331,070 | - | - | - | 11,047,859 |
| General Capital Projects | 325,539 | - | - | - | - | - | - | 799,989 | 1,125,528 |
| Community Development Block Grant | - | - | - | 646,063 | - | - | - | - | 646,063 |
| Civic Center Operations | - | - | - | - | - | - | - | - | - |
| Total | <u>\$ 8,335,012</u> | <u>\$ 482,156</u> | <u>\$ 2,427,289</u> | <u>\$ 4,715,916</u> | <u>\$ 2,866,713</u> | <u>\$ 4,800</u> | <u>\$ 19,936</u> | <u>\$ 919,989</u> | <u>\$ 19,771,812</u> |

Transfers are primarily used to move funds from:

General Fund - to the Community Development fund to cover the expenditures of the City's Resource centers, Food Bank and the portion of Community Development's administrative expenses not covered by the CDBG grant, to the Fire Protection fund for communication expenditures and because dedicated revenues are not sufficient to cover expenditures, to the General Capital Projects the gaming revenues dedicated for capital projects, to the Garbage Collection and Disposal fund because dedicated revenues are not sufficient to cover expenditures and to the General Debt fund to cover the reserve requirements and additional interest on the 2009 LDEQ loan.

One Percent Sales tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection funds to reimburse losses from homestead exemption, to pay expenditures for the Streets and Drainage and Street Lighting Funds and the remaining funds are transferred to the General Fund.

General Capital Projects - to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for capital funds rededicated to operations to balance the General Fund budget.

Community Development Block Grant Fund - to the General Capital Projects fund to cover capital project expenditures funded by the Community Development Block Grant.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---|--|---------------------|
| General Fund | One Percent Sales Tax of 1984 Fund | \$ 2,075,854 |
| | General Capital Projects | 199,059 |
| | Capital Projects Funded with Bond Proceeds | 2,357,441 |
| | General Debt Funds | 463,138 |
| | Nonmajor Governmental Funds | 643,169 |
| | Department of Wastewater Operations | 4,744,315 |
| | Internal Service Funds | 467,700 |
| | Civic Center Operations | 1,710,607 |
| One Percent Sales Tax of 1984 Fund | Nonmajor Governmental Funds | 45,818 |
| Fire Protection Fund | General Fund | 546,689 |
| | One Percent Sales Tax of 1984 Fund | 62,030 |
| | Nonmajor Governmental Funds | - |
| General Capital Projects | General Fund | 7,985,042 |
| Capital Projects Funded with Bond Proceeds | General Fund | 818,827 |
| Department of Wastewater Operations | General Fund | 82,282 |
| | General Capital Projects | 206,483 |
| Nonmajor Governmental Funds | General Fund | 215,242 |
| | One Percent Sales Tax Fund | 5,266 |
| | Capital Projects Fund | 32,340 |
| | | <u>\$22,661,302</u> |

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE L - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$500,000 for each worker's compensation claim, excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000; and \$500,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$4,707,539 (which includes claims incurred but not reported in the Fund at June 30, 2013) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during fiscal years 2011, 2012 and 2013 were as follows:

| | <u>Beginning of Fiscal Year Liability</u> | <u>Current Year Claims and Changes in Estimates</u> | <u>Claim Payments</u> | <u>Balance at Fiscal Year End</u> |
|-------------|---|---|---------------------------|---|
| 2010 – 2011 | \$3,681,894 | \$2,153,651 | \$ (826,776) | \$5,008,769 |
| 2011 – 2012 | 5,008,769 | 964,077 | (1,145,744) | 4,827,102 |
| 2012 – 2013 | 4,827,102 | 869,645 | (989,208) | 4,707,539 |

The amount of estimated claims payable due within one year of these financial statements is \$2,117,307.

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

NOTE M - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

EPA ADMINISTRATIVE ORDER

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$65 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at .95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Approximately \$13 million of the loan has been disbursed to the City for its expenditures on surveys, preliminary design and project management and construction costs. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. In November of 2011 the City issued \$16 million in bonds and in November of 2012 the City entered into an additional loan of \$21 million at .95% interest from the Clean Water State Revolving Fund Loan Program to fund the rest of the required renovations. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project.

FIREFIGHTER PENSION CLAIM

Plaintiffs claim that the City erred by not making firefighter retirement contributions on acting pay, holiday pay, overtime pay, and educational incentive pay. Plaintiffs moved for declaratory judgment on this claim but the judge ruled in favor of the City. Plaintiffs will appeal and the outcome of an appeal is uncertain. The City has accrued \$816,000 in the General Fund for this claim.

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CONSTRUCTION

Construction commitments are discussed in Note H.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements. As of June 30, 2013, the City has no capital leases.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2013 amounted to \$228,610. Future minimum lease payments for these leases are as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Amounts</u> |
|---------------------------------------|-------------------|
| 2014 | \$ 203,060 |
| 2015 | 68,400 |
| 2016 | <u>57,000</u> |
| Total minimum lease payments | \$ <u>328,460</u> |

NOTE N - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries. The City did not make any contributions to the plan during the year ended June 30, 2013.

NOTE O - POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2013, 149 retirees were receiving postemployment benefits.

CONTRIBUTION RATES

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers a single health plan for active and retired under age 65 employees through United Healthcare. Retired Employees eligible for Medicare coverage are excluded from the United Healthcare Plan and may choose to be covered by one of the two Medicare Supplement Plans offered by People's Health and Humana. The monthly premium is \$0 for employees not eligible for Medicare, and \$78 and \$166 for Medicare Supplement Plans with People's Health and Humana respectively. The City's portion is \$477 per month for retiree-only coverage without Medicare and \$100 per month for the City's portion of retiree-only coverage with Medicare.

The City pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the City pays the first \$100 per month of the retiree portion of the premium for those employees who elect coverage under one of the Medicare Supplement Plans. For employees who were employed before February 1, 2000, the City pays \$82 of the dependent coverage for active employees and retirees before age 65.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

CONTRIBUTION RATES

The city also provides eligible retirees Basic Term Life which is underwritten by Metropolitan Life Insurance Company. The blended rate for active employees and retirees is \$0.278 per \$1,000 of insurance.

The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75.

FUNDING POLICY

Prior to July 1, 2008, the City of Kenner recognized the cost of providing postemployment medical and life benefits (the City of Kenner's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. For the year ended June 30, 2013, the City of Kenner's portion of health care funding cost for retired employees totaled \$784,587.

ANNUAL OPEB COST (CONTINUED)

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2012 was \$978,691 for medical, as set forth below:

| | |
|------------------------------------|-------------------|
| Normal Cost | \$ 273,165 |
| UAL amortized amount | 667,884 |
| Interest | <u>37,642</u> |
| Annual required contribution (ARC) | <u>\$ 978,691</u> |

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2013:

| | |
|--|---------------------|
| Annual required contribution | \$ 978,691 |
| Interest on net OPEB obligation | 196,983 |
| ARC adjustment | <u>(284,788)</u> |
| OPEB cost | 890,886 |
| Contributions made (retiree premiums paid in 2013) | <u>(784,587)</u> |
| Increase in net OPEB obligation | 106,299 |
| Beginning net OPEB obligation at July 1, 2012 | <u>4,924,569</u> |
| Ending net OPEB obligation at June 30, 2013 | <u>\$ 5,030,868</u> |

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Cost Contributed</u> | <u>Annual OPEB Net OPEB Obligation</u> |
|--------------------------|-------------------------|---------------------------------------|--|
| June 30, 2011 | \$ 1,227,030 | 37.19% | \$ 4,173,486 |
| June 30, 2012 | 1,222,572 | 38.57% | 4,924,569 |
| June 30, 2013 | 890,886 | 88.07% | 5,030,868 |

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS

During the fiscal year ended June 30, 2013, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2013, the most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$12,687,985, which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2013, the entire actuarial accrued liability of \$12,687,985 was unfunded.

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 12,687,985 |
| Actuarial value of plan assets | <u>-</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 12,687,985</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered Payroll (annual payroll of active plan members) | \$ 26,520,081 |
| UAAL as a percentage of covered payroll | 47.84% |

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

ACTUARIAL COST METHOD

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

TURNOVER RATE

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

| <u>Age</u> | <u>Percent Turnover</u> |
|------------|-------------------------|
| 20 - 25 | 20.0% |
| 26 - 40 | 12.0% |
| 41 - 50 | 8.0% |
| 51+ | 6.0% |

In addition, based on past experience it was assumed that 16% of retirees decline health coverage at retirement.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

HEALTH CARE COST INFLATION RATE

This assumption is used in determining how much postemployment benefits will cost each year and how rapidly the cost will grow when an employee starts receiving postemployment benefits. The health care cost trend was 8% initially and decreases to an ultimate rate of 4.34%. Both the investment return rate and the health care cost trend rate included a 3.0% inflation assumption.

MORTALITY RATE

This assumption is used in determining how long a retiree is likely to receive the benefits. The RP2000 Combined Health Table with a 70/30 male/female blend was used.

NOTE P - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2013. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE P - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (Continued)

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan) (Continued)

Plan members are required to contribute 9.25% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 17.0% of earnable compensation. At July 1, 2013, the employer's contribution rate increased to 18.75%, and the employee rate increased to 9.50%.

Municipal Police Employees' Retirement System, State of Louisiana (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to 3 ¹/₃ percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2013. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P.O. Box 94095, Capital Station, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their annual-covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 31.0% of covered payroll.

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 ¹/₃% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 24.0% of annual-covered payroll. Effective July 1, 2013, the employer's contribution rate increased to 28.25%.

COVERED PAYROLL

The covered payrolls for each of the plans for the year ended June 30, 2013 were as follows:

| <u>Covered payroll</u> | |
|--------------------------------|---------------|
| Municipal Plan | \$ 11,624,135 |
| Police Plan | 8,024,893 |
| Firefighters Retirement System | 4,140,703 |

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Firefighters' Retirement System is available in the separately issued reports, but is not available by individual employer.

Member and employer contributions are established by state statute for all plans.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE P - PENSION PLANS (CONTINUED)

CONTRIBUTIONS REQUIRED AND MADE

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Required Contribution</u> | <u>% Contributed</u> |
|---|----------------------------------|--------------------------|
| 2011 | \$ 1,761,462 | 100% |
| 2012 | 1,898,680 | 100% |
| 2013 | 1,976,108 | 100% |

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Required Contribution</u> | <u>% Contributed</u> |
|---|----------------------------------|--------------------------|
| 2011 | \$ 1,874,013 | 100% |
| 2012 | 2,097,124 | 100% |
| 2013 | 2,487,715 | 100% |

Contributions required and made for the Firefighters' Retirement System, a cost-sharing multiple-employer plan were as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Required Contribution</u> | <u>% Contributed</u> |
|---|----------------------------------|--------------------------|
| 2011 | \$ 928,830 | 100% |
| 2012 | 973,314 | 100% |
| 2013 | 993,769 | 100% |

NOTE Q - DEFICIT FUND BALANCES/ NET POSITION

At June 30, 2013, the Self-Insurance Fund had a deficit in its net position of \$(4,583,495). This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2013, the Wastewater Fund had a deficit in its unrestricted net position of \$(2,842,689). This deficit is expected to be reduced by future operations from an increase in the sewer service charge over the next several years which was approved by the Council in November 2010.

At June 30, 2013, the Civic Center Operations Fund had a deficit in its unrestricted net position of \$(1,486,264). This deficit is expected to be reduced by future operations and by a transfer of insurance proceeds from hurricane Katrina damages.

At June 30, 2013, the Capital Projects with Bond Proceeds had a deficit in its fund balance of \$(465,042). This deficit will be eliminated by the City making additional contributions into the fund during future years.

NOTE R - SUBSEQUENT EVENT

On July 15, 2013, the City issued \$40,980,000 in Series 2013A Sales Tax Revenue and Refunding Bonds and \$1,020,000 in Series 2013B Taxable Sales Tax Revenue Bonds to advance refund \$14,020,000 of Series 2003 Sales Tax Bonds and to provide funds for a corridor development plan intended to enhance the City's image which will attract new businesses and residents to the City. The Series 2013A Bonds mature serially June 1, 2014 through June 1, 2030 and bear interest at various rates, ranging from 2.00% to 4.375%. The 2013B Taxable Bonds mature June 1, 2014 and bear interest of 1.125%.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE R – SUBSEQUENT EVENT (CONTINUED)

Interest rates on the Series 2013 Bonds range from 1.125% to 4.375%, whereas interest rates on the 2003 Series Bonds ranged from 3.05-5.00%. Net proceeds from the Series 2013 Bonds of \$42,449,943 (after payment of issuance costs) were received in August 2013 and the 2003 bonds were redeemed in September 2013 for \$14,180,556 (including interest).

NOTE S – RESTATEMENT OF BEGINNING NET POSITION

The net position at June 30, 2012 was restated due to the implementation of GASB 65 and the transfer of two funds from governmental to business-type activities. A reconciliation of the ending June 30, 2012 net position per the prior year audit and the beginning balance at July 1, 2012 is as follows:

Governmental activities:

| | |
|---|----------------------|
| Net position at June 30, 2012 | \$209,047,715 |
| Transfer of funds to business-type | (14,106,981) |
| Bonds payable at June 30, 2012 | 16,177,952 |
| Implementation of GASB 65 | <u>(643,101)</u> |
| Net position, restated, at July 1, 2012 | <u>\$210,475,585</u> |

Business-type activities:

| | |
|---|---------------------|
| Net position at June 30, 2012 | \$71,485,310 |
| Transfer of funds to business-type | 14,106,981 |
| Bonds payable at June 30, 2012 | <u>(16,177,952)</u> |
| Net position, restated, at July 1, 2012 | <u>\$69,414,339</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2013

| | | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|----------------------|-------------------------------------|----------------------|----------------------|----------------------|--|
| | ACTUAL | | | ORIGINAL BUDGET | FINAL BUDGET | |
| REVENUES | | | | | | |
| Taxes | \$ 25,467,349 | \$ - | \$ 25,467,349 | \$ 24,388,822 | \$ 24,388,822 | \$ 1,078,527 |
| Licenses and permits | 3,445,677 | - | 3,445,677 | 3,288,800 | 3,288,800 | 156,877 |
| Intergovernmental | 2,217,789 | (326,561) | 1,891,228 | 1,286,636 | 2,111,412 | (220,184) |
| Charges for services | 1,524,188 | (539,260) | 984,928 | 1,012,717 | 1,012,717 | (27,789) |
| Fines and forfeitures | 2,322,357 | - | 2,322,357 | 2,467,250 | 2,467,250 | (144,893) |
| Interest on invested funds | 4,232 | - | 4,232 | 17,950 | 17,950 | (13,718) |
| Miscellaneous | 499,533 | 265 | 499,798 | 363,462 | 363,462 | 136,336 |
| Total revenues | <u>35,481,125</u> | <u>(865,556)</u> | <u>34,615,569</u> | <u>32,825,637</u> | <u>33,650,413</u> | <u>965,156</u> |
| EXPENDITURES | | | | | | |
| General government | 10,886,333 | (891,973) | 9,994,360 | 10,412,441 | 10,228,279 | 233,919 |
| Public safety | 19,663,221 | (847,717) | 18,815,504 | 18,642,822 | 19,058,027 | 242,523 |
| Public works | 2,810,286 | 78,795 | 2,889,081 | 2,930,305 | 3,051,533 | 162,452 |
| Health and welfare | 398,757 | - | 398,757 | 374,032 | 399,970 | 1,213 |
| Culture and recreation | 4,337,822 | 7,699 | 4,345,521 | 4,085,281 | 4,350,721 | 5,200 |
| Transit and urban development | 362,821 | - | 362,821 | 130,302 | 359,279 | (3,542) |
| Total expenditures | <u>38,459,240</u> | <u>(1,653,196)</u> | <u>36,806,044</u> | <u>36,575,183</u> | <u>37,447,809</u> | <u>641,765</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,978,115)</u> | <u>787,640</u> | <u>(2,190,475)</u> | <u>(3,749,546)</u> | <u>(3,797,396)</u> | <u>1,606,921</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 8,335,012 | - | 8,335,012 | 8,315,620 | 8,146,703 | 188,309 |
| Operating transfers out | (6,952,512) | - | (6,952,512) | (6,412,061) | (6,736,475) | (216,037) |
| Total other financing sources (uses) | <u>1,382,500</u> | <u>-</u> | <u>1,382,500</u> | <u>1,903,559</u> | <u>1,410,228</u> | <u>(27,728)</u> |
| Net change in fund balance | <u>(1,595,615)</u> | <u>787,640</u> | <u>(807,975)</u> | <u>(1,845,987)</u> | <u>(2,387,168)</u> | <u>1,579,193</u> |
| Fund balance - beginning of year | <u>13,717,580</u> | <u>-</u> | <u>13,717,580</u> | <u>13,717,580</u> | <u>13,717,580</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 12,121,965</u> | <u>\$ 787,640</u> | <u>\$ 12,909,605</u> | <u>\$ 11,871,593</u> | <u>\$ 11,330,412</u> | <u>\$ 1,579,193</u> |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2013

| | <u>ACTUAL</u> | <u>ADJUSTMENT TO BUDGETARY BASIS</u> | <u>BUDGETARY</u> | <u>BUDGETARY AMOUNTS</u> | | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|--|----------------------|--|----------------------|-----------------------------|-------------------------|---|
| | | | | <u>ORIGINAL BUDGET,</u> | <u>FINAL BUDGET</u> | |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Sales tax | <u>\$ 11,088,391</u> | <u>\$ -</u> | <u>\$ 11,088,391</u> | <u>\$ 11,164,802</u> | <u>\$ 11,164,802</u> | <u>\$ (76,411)</u> |
| Total revenues | <u>11,088,391</u> | <u>-</u> | <u>11,088,391</u> | <u>11,164,802</u> | <u>11,164,802</u> | <u>(76,411)</u> |
| EXPENDITURES | | | | | | |
| Personnel | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>11,088,391</u> | <u>-</u> | <u>11,088,391</u> | <u>11,164,802</u> | <u>11,164,802</u> | <u>(76,411)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers out | <u>(11,047,859)</u> | <u>-</u> | <u>(11,047,859)</u> | <u>(11,164,802)</u> | <u>(11,164,802)</u> | <u>116,943</u> |
| Net change in fund balance | 40,532 | - | 40,532 | - | - | 40,532 |
| Fund balance - beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 40,532</u> | <u>\$ -</u> | <u>\$ 40,532</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 40,532</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2013

| | <u>ACTUAL</u> | <u>ADJUSTMENT TO BUDGETARY BASIS</u> | <u>BUDGETARY</u> | <u>BUDGETARY AMOUNTS</u> | | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|--|--------------------|--|--------------------|----------------------------|-------------------------|---|
| | | | | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem tax | \$ 3,359,851 | \$ - | \$ 3,359,851 | \$ 3,421,197 | \$ 3,421,197 | \$ (61,346) |
| Parking tax | 696,422 | - | 696,422 | 647,257 | 647,257 | 49,165 |
| Cable franchise tax | 388,754 | - | 388,754 | 410,000 | 410,000 | (21,246) |
| Intergovernmental | 63,865 | - | 63,865 | - | 40,112 | 23,753 |
| Charges for services | 476 | - | 476 | 600 | 600 | (124) |
| Interest | 101 | - | 101 | - | - | 101 |
| Miscellaneous | 848 | - | 848 | 1,000 | 1,000 | (152) |
| Total revenues | <u>4,510,317</u> | <u>-</u> | <u>4,510,317</u> | <u>4,480,054</u> | <u>4,520,166</u> | <u>(9,849)</u> |
| EXPENDITURES | | | | | | |
| Public safety: | | | | | | |
| Personnel | 6,262,988 | - | 6,262,988 | 6,298,842 | 6,304,777 | 41,789 |
| Supplies | 85,698 | 612 | 86,310 | 108,000 | 107,391 | 21,081 |
| Capital outlay | 11,720 | 4,118 | 15,838 | - | 15,839 | 1 |
| Service charges | 598,629 | 1,364 | 599,993 | 615,005 | 633,952 | 33,959 |
| Total expenditures | <u>6,959,035</u> | <u>6,094</u> | <u>6,965,129</u> | <u>7,021,847</u> | <u>7,061,959</u> | <u>96,830</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,448,718)</u> | <u>(6,094)</u> | <u>(2,454,812)</u> | <u>(2,541,793)</u> | <u>(2,541,793)</u> | <u>86,981</u> |

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2013
(CONTINUED)

| | <u>ACTUAL</u> | <u>ADJUSTMENT TO BUDGETARY BASIS</u> | <u>BUDGETARY</u> | <u>BUDGETARY AMOUNTS</u> | | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|----------------------------------|------------------|--|-------------------|----------------------------|-------------------------|---|
| | | | | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers out | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers in | <u>2,427,288</u> | <u>-</u> | <u>2,427,288</u> | <u>2,541,793</u> | <u>2,541,793</u> | <u>(114,505)</u> |
| Net change in fund balance | (21,430) | (6,094) | (27,524) | - | - | (27,524) |
| Fund balance - beginning of year | <u>21,430</u> | <u>-</u> | <u>21,430</u> | <u>21,430</u> | <u>21,430</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ -</u> | <u>\$ (6,094)</u> | <u>\$ (6,094)</u> | <u>\$ 21,430</u> | <u>\$ 21,430</u> | <u>\$ (27,524)</u> |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2013

| | ADJUSTMENT TO BUDGETARY | | | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE |
|--|----------------------------|-------------|---------------------|---------------------|---------------------|--|
| | ACTUAL | BASIS | BUDGETARY | ORIGINAL | FINAL | (NEGATIVE) |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Sales tax | \$ 4,046,402 | \$ - | \$ 4,046,402 | \$ 4,086,355 | \$ 4,086,355 | \$ (39,953) |
| Interest on invested funds | 3,512 | - | 3,512 | 3,535 | 3,535 | (23) |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>4,049,914</u> | <u>-</u> | <u>4,049,914</u> | <u>4,089,890</u> | <u>4,089,890</u> | <u>(39,976)</u> |
| EXPENDITURES | | | | | | |
| Debt service: | | | | | | |
| Principal | 3,858,179 | - | 3,858,179 | 4,293,000 | 4,293,000 | 434,821 |
| Interest | 891,830 | - | 891,830 | 959,675 | 959,675 | 67,845 |
| Miscellaneous | 36,000 | - | 36,000 | 36,000 | 36,000 | - |
| Total expenditures | <u>4,786,009</u> | <u>-</u> | <u>4,786,009</u> | <u>5,288,675</u> | <u>5,288,675</u> | <u>502,666</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(736,095)</u> | <u>-</u> | <u>(736,095)</u> | <u>(1,198,785)</u> | <u>(1,198,785)</u> | <u>462,690</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 919,989 | - | 919,989 | 1,318,819 | 1,318,819 | (398,830) |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>919,989</u> | <u>-</u> | <u>919,989</u> | <u>1,318,819</u> | <u>1,318,819</u> | <u>(398,830)</u> |
| Net change in fund balance | 183,894 | - | 183,894 | 120,034 | 120,034 | 63,860 |
| Fund balance - beginning of year | 3,659,267 | - | 3,659,267 | 3,659,267 | 3,659,267 | - |
| Fund balance - end of year | <u>\$ 3,843,161</u> | <u>\$ -</u> | <u>\$ 3,843,161</u> | <u>\$ 3,779,301</u> | <u>\$ 3,779,301</u> | <u>\$ 63,860</u> |

CITY OF KENNER, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

| | General Fund | Community Development Block Grant Fund | Streets and Drainage Fund | Fire Protection Fund |
|--|------------------------------|---|---------------------------------|----------------------------|
| Net change in fund balances (budgetary basis) | \$ (807,975) | \$ (653,681) | \$ (91,890) | \$ (27,524) |
| Basis differences: | | | | |
| To adjust for encumbrances | (1,653,196) | 6,387 | 85,955 | 6,094 |
| Entity differences: | | | | |
| To adjust for revenues not budgeted | <u>865,556</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances (GAAP basis) | \$ <u><u>(1,595,615)</u></u> | \$ <u><u>(647,294)</u></u> | \$ <u><u>(5,935)</u></u> | \$ <u><u>(21,430)</u></u> |

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2013

| <u>Fiscal Year Ended</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value Of of Assets</u> | <u>Actuarial Accrued Liability (AAL) Entry Age</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL As A Percentage of Covered Payroll</u> |
|----------------------------------|---|---|--|------------------------------------|-------------------------|----------------------------|--|
| June 30, 2011 | June 30, 2011 | \$ - | \$ 15,071,536 | \$ 15,071,536 | 0.00 % | \$ 26,074,568 | 57.80 % |
| June 30, 2012 | June 30, 2011 | \$ - | \$ 15,071,536 | \$ 15,071,536 | 0.00 % | \$ 25,391,132 | 59.36 % |
| June 30, 2013 | June 30, 2013 | \$ - | \$ 12,687,985 | \$ 12,687,985 | 0.00 % | \$ 26,520,081 | 47.84 % |

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2013**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

GARBAGE COLLECTION AND DISPOSAL FUND

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

STREETS AND DRAINAGE AND STREET LIGHTING FUNDS

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

The Community Development Block Grant Fund accounts for the grants received from the Federal Community Development Block Grant Program.

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

AD VALOREM TAX BOND FUND

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan.

FIREMEN'S PENSION MERGER FUND

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

**CITY OF KENNER, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

| | SPECIAL REVENUE FUNDS | | | | |
|---|---------------------------------------|-------------------------|--------------------|---|---------------------|
| | GARBAGE COLLECTION AND DISPOSAL | STREETS AND DRAINAGE | STREET LIGHTING | COMMUNITY DEVELOPMENT BLOCK GRANT | TOTAL |
| ASSETS | | | | | |
| Cash | \$ - | 158 | \$ - | \$ 84,325 | \$ 84,483 |
| Equity in pooled cash | - | 59,418 | 49,695 | 309,616 | 418,729 |
| Investments | - | - | - | - | - |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | |
| Accounts | 732,730 | - | - | - | 732,730 |
| Intergovernmental | 292,832 | - | - | 36,225 | 329,057 |
| Interest | - | - | - | - | - |
| Other | - | - | 38 | 505 | 543 |
| Due from other funds | 121,058 | 17,067 | 66,056 | 32,340 | 236,521 |
| Prepaid items | - | - | - | - | - |
| Total assets | \$ 1,146,620 | \$ 76,643 | \$ 115,789 | \$ 463,011 | \$ 1,802,063 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 392,209 | \$ 25,319 | \$ 65,989 | \$ 1,364 | \$ 484,881 |
| Contracts payable | - | - | - | 1,230 | 1,230 |
| Accrued liabilities | - | 44,789 | 8,806 | 47,251 | 100,846 |
| Due to other funds | 643,118 | 5,987 | 39,883 | - | 688,988 |
| Unearned revenues | 111,293 | 548 | 1,111 | - | 112,952 |
| Total liabilities | 1,146,620 | 76,643 | 115,789 | 49,845 | 1,388,897 |
| Fund balances: | | | | | |
| Restricted | | | | | |
| Federal grants | \$ - | \$ - | \$ - | 413,166 | \$ 413,166 |
| Debt service | - | - | - | - | - |
| Committed | | | | | |
| Encumbrances | - | - | - | - | - |
| Other commitments | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances | - | - | - | 413,166 | 413,166 |
| Total liabilities and fund balances | \$ 1,146,620 | \$ 76,643 | \$ 115,789 | \$ 463,011 | \$ 1,802,063 |

| AD VALOREM TAX BONDS | DEBT SERVICE | | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|-------------------------|-------------------------------------|-------------------|--|
| | FIREMEN'S PENSION MERGER FUND | TOTAL | |
| \$ 8,311 | \$ - | \$ 8,311 | \$ 92,794 |
| 40,718 | 101,350 | 142,068 | 560,797 |
| - | 600,664 | 600,664 | 600,664 |
| - | - | - | 732,730 |
| - | - | - | 329,057 |
| - | - | - | - |
| - | - | - | 543 |
| 16,327 | - | 16,327 | 252,848 |
| - | - | - | - |
| <u>\$ 65,356</u> | <u>\$ 702,014</u> | <u>\$ 767,370</u> | <u>\$ 2,569,433</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ 484,881 |
| - | - | - | 1,230 |
| - | - | - | 100,846 |
| - | - | - | 688,988 |
| 16,327 | - | 16,327 | 129,279 |
| 16,327 | - | 16,327 | 1,405,224 |
| | | | |
| \$ - | \$ - | \$ - | \$ 413,166 |
| 49,029 | 702,014 | 751,043 | 751,043 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 49,029 | 702,014 | 751,043 | 1,164,209 |
| <u>\$ 65,356</u> | <u>\$ 702,014</u> | <u>\$ 767,370</u> | <u>\$ 2,569,433</u> |

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

| | SPECIAL REVENUE FUNDS | | | | |
|--|---------------------------------------|-------------------------|--------------------|---|------------------|
| | GARBAGE COLLECTION AND DISPOSAL | STREETS AND DRAINAGE | STREET LIGHTING | COMMUNITY DEVELOPMENT BLOCK GRANT | TOTAL |
| REVENUES | | | | | |
| Taxes | \$ 728,131 | \$ 700,313 | \$ 7 | \$ - | \$ 1,428,451 |
| Intergovernmental | 828,952 | 30,610 | 5,996 | 230,056 | 1,095,614 |
| Charges for services | 2,926,301 | - | - | - | 2,926,301 |
| Interest | - | - | - | 32 | 32 |
| Miscellaneous | - | - | - | - | - |
| Total Revenues | 4,483,384 | 730,923 | 6,003 | 230,088 | 5,450,398 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Public works | 5,342,069 | 1,590,053 | 1,339,066 | - | 8,271,188 |
| Transit and urban development | - | - | - | 713,481 | 713,481 |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Debt issuance costs | - | - | - | - | - |
| Total Expenditures | 5,342,069 | 1,590,053 | 1,339,066 | 713,481 | 8,984,669 |
| Excess (deficiency) of revenues over (under) expenditures | (858,685) | (859,130) | (1,333,063) | (483,393) | (3,534,271) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 693,622 | 853,195 | 1,319,896 | 482,156 | 3,348,869 |
| Transfers out | - | - | - | (646,063) | (646,063) |
| Payment to refunded bond escrow agent | - | - | - | - | - |
| Proceeds of refunding debt | - | - | - | - | - |
| Total other financing sources (uses) | 693,622 | 853,195 | 1,319,896 | (163,907) | 2,702,806 |
| Net change in fund balances | (165,063) | (5,935) | (13,167) | (647,300) | (831,465) |
| Fund balances - beginning of year | 165,063 | 5,935 | 13,167 | 1,060,466 | 1,244,631 |
| Fund balances - end of year | \$ - | \$ - | \$ - | \$ 413,166 | \$ 413,166 |

| DEBT SERVICE FUNDS | | | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|-------------------------|-------------------------------------|-------------------|--|
| AD VALOREM TAX BONDS | FIREMEN'S PENSION MERGER FUND | TOTAL | |
| 1,977,610 | \$ 249,480 | \$ 2,227,090 | \$ 3,655,541 |
| - | - | - | 1,095,614 |
| - | - | - | 2,926,301 |
| 7 | 282 | 289 | 321 |
| - | - | - | - |
| <u>1,977,617</u> | <u>249,762</u> | <u>2,227,379</u> | <u>7,677,777</u> |
| - | - | - | 8,271,188 |
| - | - | - | 713,481 |
| 1,550,000 | 75,653 | 1,625,653 | 1,625,653 |
| 740,808 | 162,049 | 902,857 | 902,857 |
| 166,797 | - | 166,797 | 166,797 |
| <u>2,457,605</u> | <u>237,702</u> | <u>2,695,307</u> | <u>11,679,976</u> |
| <u>(479,988)</u> | <u>12,060</u> | <u>(467,928)</u> | <u>(4,002,199)</u> |
| - | - | - | 3,348,869 |
| - | - | - | (646,063) |
| (8,725,000) | - | (8,725,000) | (8,725,000) |
| 9,205,000 | - | 9,205,000 | 9,205,000 |
| <u>480,000</u> | <u>-</u> | <u>480,000</u> | <u>3,182,806</u> |
| 12 | 12,060 | 12,072 | (819,393) |
| <u>49,017</u> | <u>689,954</u> | <u>738,971</u> | <u>1,983,602</u> |
| <u>\$ 49,029</u> | <u>\$ 702,014</u> | <u>\$ 751,043</u> | <u>\$ 1,164,209</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---------------------|-------------------------------------|---------------------|---------------------|---------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| TAXES | | | | | | |
| Ad valorem tax | \$ 944,445 | \$ - | \$ 944,445 | \$ 961,634 | \$ 961,634 | \$ (17,189) |
| Sales tax | 15,929,965 | - | 15,929,965 | 14,392,133 | 14,392,133 | 1,537,832 |
| Beer tax | 76,434 | - | 76,434 | 72,262 | 72,262 | 4,172 |
| Parking tax | 1,393,653 | - | 1,393,653 | 1,393,653 | 1,393,653 | - |
| Franchises | | | | | | |
| Electricity service | 1,381,421 | - | 1,381,421 | 1,727,829 | 1,727,829 | (346,408) |
| Gas service | 161,914 | - | 161,914 | 173,281 | 173,281 | (11,367) |
| Off-track wagering | 84,446 | - | 84,446 | 88,792 | 88,792 | (4,346) |
| Hotel/motel tax | 376,907 | - | 376,907 | 287,905 | 287,905 | 89,002 |
| Telephone | 152,207 | - | 152,207 | 174,270 | 174,270 | (22,063) |
| Video service | 245,980 | - | 245,980 | 146,194 | 146,194 | 99,786 |
| Riverboat | 4,719,977 | - | 4,719,977 | 4,970,869 | 4,970,869 | (250,892) |
| Total taxes | 25,467,349 | - | 25,467,349 | 24,388,822 | 24,388,822 | 1,078,527 |
| LICENSES AND PERMITS | | | | | | |
| Business: | | | | | | |
| Occupational | 2,319,459 | - | 2,319,459 | 2,260,369 | 2,260,369 | 59,090 |
| Alcoholic beverage | 91,735 | - | 91,735 | 88,725 | 88,725 | 3,010 |
| Chain store | 60,881 | - | 60,881 | 59,406 | 59,406 | 1,475 |
| Plumbing | 56,145 | - | 56,145 | 62,000 | 62,000 | (5,855) |
| Electrical | 44,915 | - | 44,915 | 38,000 | 38,000 | 6,915 |
| Taxi cab | 37,390 | - | 37,390 | 32,000 | 32,000 | 5,390 |
| Air conditioning | 26,520 | - | 26,520 | 20,000 | 20,000 | 6,520 |
| Bingo | 100 | - | 100 | 150 | 150 | (50) |
| Animal control | - | - | - | 150 | 150 | (150) |
| Total business | 2,637,145 | - | 2,637,145 | 2,560,800 | 2,560,800 | 76,345 |
| Non-business: | | | | | | |
| Building | 416,736 | - | 416,736 | 315,000 | 315,000 | 101,736 |
| Garage sales | 3,120 | - | 3,120 | 3,000 | 3,000 | 120 |
| Brake tags | 388,676 | - | 388,676 | 410,000 | 410,000 | (21,324) |
| Total non-business | 808,532 | - | 808,532 | 728,000 | 728,000 | 80,532 |
| Total licenses and permits | 3,445,677 | - | 3,445,677 | 3,288,800 | 3,288,800 | 156,877 |
| INTERGOVERNMENTAL | | | | | | |
| Federal Grants | 620,871 | (229,742) | 391,129 | - | 627,806 | (236,677) |
| From state: | | | | | | |
| Tobacco tax | - | - | - | - | - | - |
| Parish transportation fund | 319,161 | - | 319,161 | 130,302 | 327,272 | (8,111) |
| Parish road fund | 203,501 | - | 203,501 | 191,334 | 191,334 | 12,167 |
| Video poker | 684,412 | - | 684,412 | 715,000 | 715,000 | (30,588) |
| Other state grants | 96,819 | (96,819) | - | - | - | - |
| From other local government subdivisions: | | | | | | |
| Jefferson Council on Aging | 46,858 | - | 46,858 | 39,000 | 39,000 | 7,858 |
| Jefferson Parish | 246,167 | - | 246,167 | 211,000 | 211,000 | 35,167 |
| Total intergovernmental | \$ 2,217,789 | \$ (326,561) | \$ 1,891,228 | \$ 1,286,636 | \$ 2,111,412 | \$ (220,184) |

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| CHARGES FOR SERVICES | | | | | | |
| Zoning fees | \$ 7,900 | \$ - | \$ 7,900 | \$ 7,950 | \$ 7,950 | \$ (50) |
| Inspection fees | | | | | | |
| Electrical | 74,274 | - | 74,274 | 80,000 | 80,000 | (5,726) |
| Plumbing | 57,545 | - | 57,545 | 78,000 | 78,000 | (20,455) |
| Air conditioning, heating, and other | 64,335 | - | 64,335 | 60,000 | 60,000 | 4,335 |
| Maps and document sales | 5,118 | - | 5,118 | 2,000 | 2,000 | 3,118 |
| Tax research fees | 18,845 | - | 18,845 | 17,200 | 17,200 | 1,645 |
| Police reports | 32,458 | - | 32,458 | 31,000 | 31,000 | 1,458 |
| Weed cutting fees | 112,798 | - | 112,798 | 160,000 | 160,000 | (47,202) |
| Recreation department | | | | | | |
| Participation fees | 195,261 | - | 195,261 | 191,106 | 191,106 | 4,155 |
| Admission fees | 45,946 | - | 45,946 | 45,348 | 45,348 | 598 |
| Identification and other fees | 309,448 | - | 309,448 | 279,113 | 279,113 | 30,335 |
| Community service fees | - | - | - | - | - | - |
| Administrative charges | 600,260 | (539,260) | 61,000 | 61,000 | 61,000 | - |
| Total charges for services | <u>1,524,188</u> | <u>(539,260)</u> | <u>984,928</u> | <u>1,012,717</u> | <u>1,012,717</u> | <u>(27,789)</u> |
| FINES AND FORFEITURES | | | | | | |
| Fines | 1,910,934 | - | 1,910,934 | 2,100,000 | 2,100,000 | (189,066) |
| Forfeitures | 342,042 | - | 342,042 | 320,000 | 320,000 | 22,042 |
| DWI fines | 4,225 | - | 4,225 | 2,500 | 2,500 | 1,725 |
| Reinstatement fees | 65,156 | - | 65,156 | 44,750 | 44,750 | 20,406 |
| Total fines and forfeitures | <u>2,322,357</u> | <u>-</u> | <u>2,322,357</u> | <u>2,467,250</u> | <u>2,467,250</u> | <u>(144,893)</u> |
| INTEREST ON INVESTED FUNDS | <u>4,232</u> | <u>-</u> | <u>4,232</u> | <u>17,950</u> | <u>17,950</u> | <u>(13,718)</u> |
| MISCELLANEOUS | | | | | | |
| Donations | 58,192 | - | 58,192 | - | - | 58,192 |
| Rents | 232,554 | - | 232,554 | 296,812 | 296,812 | (64,258) |
| Other investment income | 74,083 | - | 74,083 | 34,050 | 34,050 | 40,033 |
| Other | 134,704 | 265 | 134,969 | 32,600 | 32,600 | 102,369 |
| Total miscellaneous | <u>499,533</u> | <u>265</u> | <u>499,798</u> | <u>363,462</u> | <u>363,462</u> | <u>136,336</u> |
| Total revenues | <u>\$ 35,481,125</u> | <u>\$ (865,556)</u> | <u>\$ 34,615,569</u> | <u>\$ 32,825,637</u> | <u>\$ 33,650,413</u> | <u>\$ 965,156</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2013

| | | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---------------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | ACTUAL | | | ORIGINAL BUDGET | FINAL BUDGET | |
| GENERAL GOVERNMENT | | | | | | |
| Personnel | \$ 7,007,314 | \$ (553,010) | \$ 6,454,304 | \$ 7,041,670 | \$ 6,554,414 | \$ 100,110 |
| Supplies | 300,782 | 2,731 | 303,513 | 123,088 | 287,454 | (16,059) |
| Service charges | 3,138,398 | (8,486) | 3,129,912 | 3,236,683 | 3,265,994 | 136,082 |
| Capital outlay | 439,839 | (333,208) | 106,631 | 11,000 | 120,417 | 13,786 |
| Total general government | 10,886,333 | (891,973) | 9,994,360 | 10,412,441 | 10,228,279 | 233,919 |
| PUBLIC SAFETY | | | | | | |
| Personnel | 16,087,117 | (415,356) | 15,671,761 | 15,895,071 | 15,840,560 | 168,799 |
| Supplies | 792,190 | 9,163 | 801,353 | 735,916 | 892,923 | 91,570 |
| Service charges | 1,869,652 | (24,106) | 1,845,546 | 2,011,835 | 1,867,583 | 22,037 |
| Capital outlay | 914,262 | (417,418) | 496,844 | - | 456,961 | (39,883) |
| Total public safety | 19,663,221 | (847,717) | 18,815,504 | 18,642,822 | 19,058,027 | 242,523 |
| PUBLIC WORKS | | | | | | |
| Personnel | 1,655,951 | - | 1,655,951 | 1,568,483 | 1,743,949 | 87,998 |
| Supplies | 708,006 | 36,979 | 744,985 | 889,415 | 793,651 | 48,666 |
| Service charges | 381,319 | 35,736 | 417,055 | 472,407 | 465,751 | 48,696 |
| Capital outlay | 65,010 | 6,080 | 71,090 | - | 48,182 | (22,908) |
| Total public works | 2,810,286 | 78,795 | 2,889,081 | 2,930,305 | 3,051,533 | 162,452 |
| HEALTH AND WELFARE | | | | | | |
| Personnel | 388,299 | - | 388,299 | 352,756 | 388,082 | (217) |
| Supplies | 8,131 | - | 8,131 | 7,349 | 7,305 | (826) |
| Service charges | 2,327 | - | 2,327 | 13,927 | 4,583 | 2,256 |
| Capital outlay | - | - | - | - | - | - |
| Total health and welfare | 398,757 | - | 398,757 | 374,032 | 399,970 | 1,213 |

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2013

| | | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-------------------------------|---------------|-------------------------------------|---------------|--------------------|-----------------|--|
| | ACTUAL | | | ORIGINAL BUDGET | FINAL BUDGET | |
| CULTURE AND RECREATION | | | | | | |
| Personnel | \$ 3,007,947 | \$ - | \$ 3,007,947 | \$ 2,789,991 | \$ 3,005,625 | \$ (2,322) |
| Supplies | 456,949 | 22,948 | 479,897 | 446,323 | 475,804 | (4,093) |
| Service charges | 844,427 | (15,249) | 829,178 | 846,967 | 840,792 | 11,614 |
| Capital outlay | 28,499 | - | 28,499 | 2,000 | 28,500 | 1 |
| Total culture and recreation | 4,337,822 | 7,699 | 4,345,521 | 4,085,281 | 4,350,721 | 5,200 |
| TRANSIT | | | | | | |
| Personnel | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Service charges | 362,821 | - | 362,821 | 130,302 | 359,279 | (3,542) |
| Capital outlay | - | - | - | - | - | - |
| TOTAL TRANSIT | 362,821 | - | 362,821 | 130,302 | 359,279 | (3,542) |
| TOTAL EXPENDITURES | | | | | | |
| Personnel | 28,146,628 | (968,366) | 27,178,262 | 27,647,971 | 27,532,630 | 354,368 |
| Supplies | 2,266,058 | 71,821 | 2,337,879 | 2,202,091 | 2,457,137 | 119,258 |
| Service charges | 6,598,944 | (12,105) | 6,586,839 | 6,712,121 | 6,803,982 | 217,143 |
| Capital outlay | 1,447,610 | (744,546) | 703,064 | 13,000 | 654,060 | (49,004) |
| TOTAL EXPENDITURES | \$ 38,459,240 | \$ (1,653,196) | \$ 36,806,044 | \$ 36,575,183 | \$ 37,447,809 | \$ 641,765 |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION

COUNCIL OFFICE

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-----------------|-------------------|-------------------------------------|-------------------|--------------------|-------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 760,473 | \$ (250) | \$ 760,223 | \$ 728,665 | \$ 763,793 | \$ 3,570 |
| Supplies | 25,676 | (1,029) | 24,647 | 37,170 | 40,095 | 15,448 |
| Service charges | 58,601 | (4,060) | 54,541 | 119,150 | 88,991 | 34,450 |
| Capital outlay | 19,942 | (14,699) | 5,243 | 10,000 | 17,140 | 11,897 |
| | <u>\$ 864,692</u> | <u>\$ (20,038)</u> | <u>\$ 844,654</u> | <u>\$ 894,985</u> | <u>\$ 910,019</u> | <u>\$ 65,365</u> |

MAYOR'S OFFICE

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-------------------|-------------------------------------|-------------------|--------------------|-------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 472,706 | \$ - | \$ 472,706 | \$ 447,425 | \$ 472,505 | \$ (201) |
| Supplies | 9,989 | - | 9,989 | 12,500 | 9,939 | (50) |
| Service charges | 23,179 | - | 23,179 | 28,250 | 24,025 | 846 |
| Capital outlay | 3,561 | - | 3,561 | 1,000 | 3,561 | - |
| Total expenditures | <u>\$ 509,435</u> | <u>\$ -</u> | <u>\$ 509,435</u> | <u>\$ 489,175</u> | <u>\$ 510,030</u> | <u>\$ 595</u> |

FINANCE

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-------------------|-------------------------------------|-------------------|--------------------|-------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 801,679 | \$ - | \$ 801,679 | \$ 755,256 | \$ 800,009 | \$ (1,670) |
| Supplies | 12,432 | 592 | 13,024 | 16,500 | 12,353 | (671) |
| Service charges | 46,190 | - | 46,190 | 47,470 | 44,753 | (1,437) |
| Capital outlay | 2,969 | (2,969) | - | - | - | - |
| Total expenditures | <u>\$ 863,270</u> | <u>\$ (2,377)</u> | <u>\$ 860,893</u> | <u>\$ 819,226</u> | <u>\$ 857,115</u> | <u>\$ (3,778)</u> |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

PURCHASING

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 266,993 | - | \$ 266,993 | \$ 248,543 | \$ 267,151 | \$ 158 |
| Supplies | 4,633 | 103 | 4,736 | 5,500 | 5,500 | 764 |
| Service charges | 17,562 | - | 17,562 | 21,374 | 18,822 | 1,260 |
| Capital outlay | 2,196 | 936 | 3,132 | - | 2,197 | (935) |
| Total expenditures | \$ 291,384 | \$ 1,039 | \$ 292,423 | \$ 275,417 | \$ 293,670 | \$ 1,247 |

PERSONNEL

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 315,224 | \$ - | \$ 315,224 | \$ 308,548 | \$ 326,137 | \$ 10,913 |
| Supplies | 4,120 | (225) | 3,895 | 3,318 | 4,308 | 413 |
| Service charges | 28,693 | - | 28,693 | 40,235 | 30,734 | 2,041 |
| Capital outlay | 6,524 | (1,035) | 5,489 | - | 5,489 | - |
| Total expenditures | \$ 354,561 | \$ (1,260) | \$ 353,301 | \$ 352,101 | \$ 366,668 | \$ 13,367 |

PLANNING

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 418,537 | \$ (1,000) | \$ 417,537 | \$ 381,888 | \$ 417,538 | \$ 1 |
| Supplies | 4,904 | (22) | 4,882 | 5,500 | 5,528 | 646 |
| Service charges | 27,375 | - | 27,375 | 32,700 | 27,949 | 574 |
| Capital outlay | 6,199 | - | 6,199 | - | 6,199 | - |
| Total expenditures | \$ 457,015 | \$ (1,022) | \$ 455,993 | \$ 420,088 | \$ 457,214 | \$ 1,221 |

INFORMATION TECHNOLOGY

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 402,044 | \$ - | \$ 402,044 | \$ 427,755 | \$ 406,209 | \$ 4,165 |
| Supplies | 10,138 | 6,834 | 16,972 | 7,500 | 15,762 | (1,210) |
| Service charges | 326,051 | 44,507 | 370,558 | 282,913 | 317,987 | (52,571) |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 738,233 | \$ 51,341 | \$ 789,574 | \$ 718,168 | \$ 739,958 | \$ (49,616) |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

CIVIL SERVICE

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 153,750 | \$ - | \$ 153,750 | \$ 149,837 | \$ 157,692 | \$ 3,942 |
| Supplies | 2,192 | - | 2,192 | 2,100 | 2,100 | (92) |
| Service charges | 11,898 | 447 | 12,345 | 16,865 | 16,865 | 4,520 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 167,840 | \$ 447 | \$ 168,287 | \$ 168,802 | \$ 176,657 | \$ 8,370 |

GENERAL MUNICIPAL EXPENSE

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 769,544 | \$ (551,760) | \$ 217,784 | \$ 320,103 | \$ 242,226 | \$ 24,442 |
| Supplies | 211,803 | (12,227) | 199,576 | 9,000 | 163,939 | (35,637) |
| Service charges | 1,220,488 | (54,988) | 1,165,500 | 1,105,285 | 1,104,049 | (61,451) |
| Capital outlay | 363,757 | (302,869) | 60,888 | - | 64,172 | 3,284 |
| Total expenditures | \$ 2,565,592 | \$ (921,844) | \$ 1,643,748 | \$ 1,434,388 | \$ 1,574,386 | \$ (69,362) |

MAYOR'S COURT

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 679,909 | \$ - | \$ 679,909 | \$ 684,782 | \$ 721,239 | \$ 41,330 |
| Supplies | 11,142 | 8,034 | 19,176 | 18,000 | 21,930 | 2,754 |
| Service charges | 27,298 | - | 27,298 | 35,500 | 35,500 | 8,202 |
| Capital outlay | 19,880 | (13,032) | 6,848 | - | 6,848 | - |
| Total expenditures | \$ 738,229 | \$ (4,998) | \$ 733,231 | \$ 738,282 | \$ 785,517 | \$ 52,286 |

CITY ATTORNEY

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | 601,052 | \$ - | \$ 601,052 | 595,030 | 630,455 | \$ 29,403 |
| Supplies | 3,753 | 671 | 4,424 | 6,000 | 6,000 | 1,576 |
| Service charges | 125,913 | 5,608 | 131,521 | 142,849 | 127,904 | (3,617) |
| Capital outlay | 14,811 | 460 | 15,271 | 0 | 14,811 | (460) |
| Total expenditures | \$ 745,529 | \$ 6,739 | \$ 752,268 | \$ 743,879 | \$ 779,170 | \$ 26,902 |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

INSURANCE

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 58,578 | \$ - | \$ 58,578 | \$ 54,723 | \$ 58,513 | \$ (65) |
| Supplies | - | - | - | - | - | - |
| Service charges | 1,210,021 | - | 1,210,021 | 1,364,092 | 1,428,415 | 218,394 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 1,268,599 | \$ - | \$ 1,268,599 | \$ 1,418,815 | \$ 1,486,928 | \$ 218,329 |

PAY INCENTIVES

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 1,306,825 | \$ - | \$ 1,306,825 | \$ 1,939,115 | \$ 1,290,947 | \$ (15,878) |
| Supplies | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 1,306,825 | \$ - | \$ 1,306,825 | \$ 1,939,115 | \$ 1,290,947 | \$ (15,878) |

BAD DEBT

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-----------|-------------------------------------|-----------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies | - | - | - | - | - | - |
| Service charges | 15,129 | - | 15,129 | - | - | (15,129) |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 15,129 | \$ - | \$ 15,129 | \$ - | \$ - | \$ (15,129) |

TOTAL - GENERAL GOVERNMENT FUNCTION

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|---------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 7,007,314 | \$ (553,010) | \$ 6,454,304 | \$ 7,041,670 | \$ 6,554,414 | \$ 100,110 |
| Supplies | 300,782 | 2,731 | 303,513 | 123,088 | 287,454 | (16,059) |
| Service charges | 3,138,398 | (8,486) | 3,129,912 | 3,236,683 | 3,265,994 | 136,082 |
| Capital outlay | 439,839 | (333,208) | 106,631 | 11,000 | 120,417 | 13,786 |
| Total expenditures | \$ 10,886,333 | \$ (891,973) | \$ 9,994,360 | \$ 10,412,441 | \$ 10,228,279 | \$ 233,919 |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION

POLICE ADMINISTRATIVE SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 821,474 | \$ - | \$ 821,474 | \$ 849,727 | \$ 821,971 | \$ 497 |
| Supplies | 40,250 | (2,205) | 38,045 | 29,000 | 36,900 | (1,145) |
| Service charges | 732,783 | (13,172) | 719,611 | 720,300 | 695,625 | (23,986) |
| Capital outlay | 153,855 | (31,483) | 122,372 | - | 112,200 | (10,172) |
| Total expenditures | \$ 1,748,362 | \$ (46,860) | \$ 1,701,502 | \$ 1,599,027 | \$ 1,666,696 | \$ (34,806) |

POLICE FIELD SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 7,140,416 | \$ (381,327) | \$ 6,759,089 | \$ 6,830,841 | \$ 6,723,034 | \$ (36,055) |
| Supplies | 573,732 | 10,417 | 584,149 | 570,000 | 679,000 | 94,851 |
| Service charges | 902,213 | (4,632) | 897,581 | 940,500 | 888,900 | (8,681) |
| Capital outlay | 670,841 | (403,455) | 267,386 | - | 254,100 | (13,286) |
| Total expenditures | \$ 9,287,202 | \$ (778,997) | \$ 8,508,205 | \$ 8,341,341 | \$ 8,545,034 | \$ 36,829 |

POLICE INVESTIGATING SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 3,829,994 | \$ (34,029) | \$ 3,795,965 | \$ 3,710,009 | \$ 3,780,892 | \$ (15,073) |
| Supplies | 13,473 | 2,810 | 16,283 | 4,000 | 16,050 | (233) |
| Service charges | 3,012 | - | 3,012 | 3,000 | 3,050 | 38 |
| Capital outlay | 1,057 | - | 1,057 | - | 1,100 | 43 |
| Total expenditures | \$ 3,847,536 | \$ (31,219) | \$ 3,816,317 | \$ 3,717,009 | \$ 3,801,092 | \$ (15,225) |

POLICE COMMUNICATIONS SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 768,132 | \$ - | \$ 768,132 | \$ 629,501 | \$ 763,833 | \$ (4,299) |
| Supplies | 3,298 | 886 | 4,184 | 1,000 | 3,400 | (784) |
| Service charges | 28,201 | - | 28,201 | 10,000 | 28,225 | 24 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 799,631 | \$ 886 | \$ 800,517 | \$ 640,501 | \$ 795,458 | \$ (5,059) |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)

POLICE JAIL SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 808,138 | \$ - | 808,138 | \$ 996,913 | \$ 867,464 | \$ 59,326 |
| Supplies | 98,862 | (2,162) | 96,700 | 94,000 | 88,650 | (8,050) |
| Service charges | 14,024 | 1,848 | 15,872 | 17,000 | 15,450 | (422) |
| Capital outlay | 663 | - | 663 | - | 700 | 37 |
| Total expenditures | \$ 921,687 | \$ (314) | \$ 921,373 | \$ 1,107,913 | \$ 972,264 | \$ 50,891 |

POLICE TECHNICAL SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-----------|-------------------------------------|-----------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies | 21,834 | 4,191 | 26,025 | - | 26,050 | 25 |
| Service charges | 39,824 | (4,882) | 34,942 | 8,000 | 26,050 | (8,892) |
| Capital outlay | 17,385 | 1,064 | 18,449 | - | 18,400 | (49) |
| Total expenditures | \$ 79,043 | \$ 373 | \$ 79,416 | \$ 8,000 | \$ 70,500 | \$ (8,916) |

CODE ENFORCEMENT - ADMINISTRATION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 1,243,838 | \$ - | \$ 1,243,838 | \$ 1,313,145 | \$ 1,383,187 | \$ 139,349 |
| Supplies | 24,461 | (6,017) | 18,444 | 22,450 | 22,861 | 4,417 |
| Service charges | 144,271 | (3,631) | 140,640 | 305,795 | 203,043 | 62,403 |
| Capital outlay | 70,461 | 16,456 | 86,917 | - | 70,461 | (16,456) |
| Total expenditures | \$ 1,483,031 | \$ 6,808 | \$ 1,489,839 | \$ 1,641,390 | \$ 1,679,552 | \$ 189,713 |

POLICE SUPPORT SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | 1,308,914 | \$ - | \$ 1,308,914 | 1,395,651.00 | 1,311,367 | \$ 2,453 |
| Supplies | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 1,308,914 | \$ - | \$ 1,308,914 | \$ 1,395,651 | \$ 1,311,367 | \$ 2,453 |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)

CODE ENFORCEMENT - INSPECTIONS

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-------------------|-------------------------------------|-------------------|--------------------|-------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 166,211 | \$ - | \$ 166,211 | \$ 169,284 | \$ 188,812 | \$ 22,601 |
| Supplies | 16,280 | 1,243 | 17,523 | 15,466 | 20,012 | 2,489 |
| Service charges | 5,324 | 363 | 5,687 | 7,240 | 7,240 | 1,553 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | <u>\$ 187,815</u> | <u>\$ 1,606</u> | <u>\$ 189,421</u> | <u>\$ 191,990</u> | <u>\$ 216,064</u> | <u>\$ 26,643</u> |

TOTAL - PUBLIC SAFETY FUNCTION

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| EXPENDITURES | | | | | | |
| Personnel | \$ 16,087,117 | \$ (415,356) | \$ 15,671,761 | \$ 15,895,071 | \$ 15,840,560 | \$ 168,799 |
| Supplies | 792,190 | 9,163 | 801,353 | 735,916 | 892,923 | 91,570 |
| Service charges | 1,869,652 | (24,106) | 1,845,546 | 2,011,835 | 1,867,583 | 22,037 |
| Capital outlay | 914,262 | (417,418) | 496,844 | - | 456,961 | (39,883) |
| Total expenditures | <u>\$ 19,663,221</u> | <u>\$ (847,717)</u> | <u>\$ 18,815,504</u> | <u>\$ 18,642,822</u> | <u>\$ 19,058,027</u> | <u>\$ 242,523</u> |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION

PUBLIC WORKS - TRAFFIC

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 210,045 | \$ - | \$ 210,045 | \$ 178,662 | \$ 209,478 | \$ (567) |
| Supplies | 60,905 | 9,307 | 70,212 | 65,345 | 69,280 | (932) |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 270,950 | \$ 9,307 | \$ 280,257 | \$ 244,007 | \$ 278,758 | \$ (1,499) |

PUBLIC WORKS - PARKWAYS

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 96,361 | \$ - | \$ 96,361 | \$ 80,069 | \$ 100,954 | \$ 4,593 |
| Supplies | 22,739 | (3,375) | 19,364 | 22,000 | 24,208 | 4,844 |
| Service charges | 105,242 | 40,534 | 145,776 | 255,530 | 163,447 | 17,671 |
| Capital outlay | 58,218 | - | 58,218 | - | 43,440 | (14,778) |
| Total expenditures | \$ 282,560 | \$ 37,159 | \$ 319,719 | \$ 357,599 | \$ 332,049 | \$ 12,330 |

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------|-------------------------------------|-----------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

PUBLIC WORKS - FLEET MANAGEMENT

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 345,619 | \$ - | \$ 345,619 | \$ 338,810 | \$ 380,575 | \$ 34,956 |
| Supplies | 440,444 | 3,295 | 443,739 | 569,070 | 466,201 | 22,462 |
| Service charges | 156,806 | (6,778) | 150,028 | 59,977 | 150,012 | (16) |
| Capital outlay | 5,008 | (2,359) | 2,649 | - | 2,958 | 309 |
| Total expenditures | \$ 947,877 | \$ (5,842) | \$ 942,035 | \$ 967,857 | \$ 999,746 | \$ 57,711 |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)

PUBLIC WORKS - GENERAL SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 351,388 | \$ - | \$ 351,388 | \$ 364,022 | \$ 399,552 | \$ 48,164 |
| Supplies | 155,205 | 29,687 | 184,892 | 200,000 | 200,950 | 16,058 |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | 8,439 | 8,439 | - | - | (8,439) |
| Total expenditures | \$ 506,593 | \$ 38,126 | \$ 544,719 | \$ 564,022 | \$ 600,502 | \$ 55,783 |

PUBLIC WORKS ADMINISTRATION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 652,538 | \$ - | \$ 652,538 | \$ 606,920 | \$ 653,390 | \$ 852 |
| Supplies | 28,713 | (1,935) | 26,778 | 33,000 | 33,012 | 6,234 |
| Service charges | 119,271 | 1,980 | 121,251 | 156,900 | 152,292 | 31,041 |
| Capital outlay | 1,784 | - | 1,784 | - | 1,784 | - |
| Total expenditures | \$ 802,306 | \$ 45 | \$ 802,351 | \$ 796,820 | \$ 840,478 | \$ 38,127 |

TOTAL - PUBLIC WORKS FUNCTION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 1,655,951 | \$ - | \$ 1,655,951 | \$ 1,568,483 | \$ 1,743,949 | \$ 87,998 |
| Supplies | 708,006 | 36,979 | 744,985 | 889,415 | 793,651 | 48,666 |
| Service charges | 381,319 | 35,736 | 417,055 | 472,407 | 465,751 | 48,696 |
| Capital outlay | 65,010 | 6,080 | 71,090 | - | 48,182 | (22,908) |
| Total expenditures | \$ 2,810,286 | \$ 78,795 | \$ 2,889,081 | \$ 2,930,305 | \$ 3,051,533 | \$ 162,452 |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION

CODE ENFORCEMENT - HUMANE

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 113,049 | \$ - | \$ 113,049 | \$ 83,126 | \$ 113,244 | \$ 195 |
| Supplies | 1,084 | - | 1,084 | 2,849 | 3,109 | 2,025 |
| Service charges | 745 | - | 745 | 3,000 | 3,000 | 2,255 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 114,878 | \$ - | \$ 114,878 | \$ 88,975 | \$ 119,353 | \$ 4,475 |

COUNCIL ON AGING

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 275,250 | \$ - | \$ 275,250 | \$ 269,630 | \$ 274,838 | \$ (412) |
| Supplies | 7,047 | - | 7,047 | 4,500 | 4,196 | (2,851) |
| Service charges | 1,582 | - | 1,582 | 10,927 | 1,583 | 1 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 283,879 | \$ - | \$ 283,879 | \$ 285,057 | \$ 280,617 | \$ (3,262) |

TOTAL - HEALTH AND WELFARE FUNCTION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 388,299 | \$ - | \$ 388,299 | \$ 352,756 | \$ 388,082 | \$ (217) |
| Supplies | 8,131 | - | 8,131 | 7,349 | 7,305 | (826) |
| Service charges | 2,327 | - | 2,327 | 13,927 | 4,583 | 2,256 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 398,757 | \$ - | \$ 398,757 | \$ 374,032 | \$ 399,970 | \$ 1,213 |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION

LEISURE SERVICES

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 104,805 | \$ - | \$ 104,805 | \$ 141,916 | \$ 111,014 | \$ 6,209 |
| Supplies | 76,234 | 83 | 76,317 | 49,190 | 80,092 | 3,775 |
| Service charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 181,039 | \$ 83 | \$ 181,122 | \$ 191,106 | \$ 191,106 | \$ 9,984 |

PLANETARIUM

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-----------|-------------------------------------|-----------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 51,559 | \$ - | \$ 51,559 | \$ 50,041 | \$ 51,482 | \$ (77) |
| Supplies | 22,945 | - | 22,945 | 48,000 | 23,050 | 105 |
| Service charges | 1,627 | - | 1,627 | 13,000 | 1,890 | 263 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 76,131 | \$ - | \$ 76,131 | \$ 111,041 | \$ 76,422 | \$ 291 |

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 83,358 | \$ - | \$ 83,358 | \$ 81,078 | \$ 83,235 | \$ (123) |
| Supplies | 27,765 | 1,587 | 29,352 | 47,000 | 27,893 | (1,459) |
| Service charges | 179,372 | - | 179,372 | 112,800 | 177,508 | (1,864) |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 290,495 | \$ 1,587 | \$ 292,082 | \$ 240,878 | \$ 288,636 | \$ (3,446) |

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)

RECREATION - ATHLETICS

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 1,304,148 | \$ - | \$ 1,304,148 | \$ 1,228,745 | \$ 1,302,439 | \$ (1,709) |
| Supplies | 132,685 | 9,108 | 141,793 | 116,500 | 142,258 | 465 |
| Service charges | 480,492 | 1,190 | 481,682 | 517,667 | 473,641 | (8,041) |
| Capital outlay | 28,499 | - | 28,499 | 2,000 | 28,500 | 1 |
| Total expenditures | \$ 1,945,824 | \$ 10,298 | \$ 1,956,122 | \$ 1,864,912 | \$ 1,946,838 | \$ (9,284) |

RECREATION MAINTENANCE

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 1,416,208 | \$ - | \$ 1,416,208 | \$ 1,237,264 | \$ 1,409,665 | \$ (6,543) |
| Supplies | 197,320 | 12,170 | \$ 209,490 | 184,233 | 202,511 | (6,979) |
| Service charges | 143,676 | (10,257) | 133,419 | 155,000 | 147,879 | 14,460 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 1,757,204 | \$ 1,913 | \$ 1,759,117 | \$ 1,576,497 | \$ 1,760,055 | \$ 938 |

CITY PARK OPERATIONS

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-----------|-------------------------------------|-----------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 47,869 | \$ - | \$ 47,869 | \$ 50,947 | \$ 47,790 | \$ (79) |
| Supplies | - | - | - | 1,400 | - | - |
| Service charges | 39,260 | (6,182) | 33,078 | 48,500 | 39,874 | 6,796 |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | \$ 87,129 | \$ (6,182) | \$ 80,947 | \$ 100,847 | \$ 87,664 | \$ 6,717 |

TOTAL - CULTURE AND RECREATION FUNCTION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|--------------|-------------------------------------|--------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ 3,007,947 | - | \$ 3,007,947 | \$ 2,789,991 | \$ 3,005,625 | \$ (2,322) |
| Supplies | 456,949 | 22,948 | 479,897 | 446,323 | 475,804 | (4,093) |
| Service charges | 844,427 | (15,249) | 829,178 | 846,967 | 840,792 | 11,614 |
| Capital outlay | 28,499 | - | 28,499 | 2,000 | 28,500 | 1 |
| Total expenditures | \$ 4,337,822 | \$ 7,699 | \$ 4,345,521 | \$ 4,085,281 | \$ 4,350,721 | \$ 5,200 |

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION

TOTAL - TRANSIT FUNCTION

| EXPENDITURES | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------|-------------------|-------------------------------------|-------------------|--------------------|-------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| Personnel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Supplies | - | - | - | - | - | - |
| Service charges | 362,821 | - | 362,821 | 130,302 | 359,279 | (3,542) |
| Capital outlay | - | - | - | - | - | - |
| Total expenditures | <u>\$ 362,821</u> | <u>\$ -</u> | <u>\$ 362,821</u> | <u>\$ 130,302</u> | <u>\$ 359,279</u> | <u>\$ (3,542)</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------|-------------------------------------|------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem tax | \$ 728,131 | \$ - | \$ 728,131 | \$ 744,342 | \$ 744,342 | \$ (16,211) |
| Intergovernmental | 828,952 | - | 828,952 | - | 830,028 | (1,076) |
| Charges for services: | | | | | | |
| Garbage fees and penalties | 2,926,301 | - | 2,926,301 | 3,110,995 | 3,110,995 | (184,694) |
| Interest | - | - | - | - | - | - |
| Total revenues | 4,483,384 | - | 4,483,384 | 3,855,337 | 4,685,365 | (201,981) |
| EXPENDITURES | | | | | | |
| Public works: | | | | | | |
| Contractual services | 5,342,069 | - | 5,342,069 | 4,194,821 | 5,301,525 | (40,544) |
| Total expenditures | 5,342,069 | - | 5,342,069 | 4,194,821 | 5,301,525 | (40,544) |
| Excess (deficiency) of revenues over (under) expenditures | (858,685) | - | (858,685) | (339,484) | (616,160) | (242,525) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 693,622 | - | 693,622 | 339,484 | 616,160 | 77,462 |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | 693,622 | - | 693,622 | 339,484 | 616,160 | 77,462 |
| Net change in fund balances | (165,063) | - | (165,063) | - | - | (165,063) |
| Fund balance - beginning of year | 165,063 | - | 165,063 | 165,063 | 165,063 | - |
| Fund balance - end of year | \$ - | \$ - | \$ - | \$ 165,063 | \$ 165,063 | \$ (165,063) |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREETS AND DRAINAGE FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------------|-------------------------------------|--------------------|--------------------|------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem tax | \$ 700,313 | \$ - | \$ 700,313 | \$ 750,106 | \$ 750,106 | \$ (49,793) |
| Intergovernmental | 30,610 | - | 30,610 | - | 30,610 | - |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>730,923</u> | <u>-</u> | <u>730,923</u> | <u>750,106</u> | <u>780,716</u> | <u>(49,793)</u> |
| EXPENDITURES | | | | | | |
| Public works: | | | | | | |
| Personnel | 1,408,867 | - | 1,408,867 | 1,333,893 | 1,433,626 | 24,759 |
| Supplies | 155,438 | 47,189 | 202,627 | 205,065 | 205,641 | 3,014 |
| Capital outlay | 25,748 | - | 25,748 | - | 19,950 | (5,798) |
| Service charges | - | 38,766 | 38,766 | - | 7,500 | (31,266) |
| Total expenditures | <u>1,590,053</u> | <u>85,955</u> | <u>1,650,260</u> | <u>1,538,958</u> | <u>1,666,717</u> | <u>(9,291)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(859,130)</u> | <u>(85,955)</u> | <u>(919,337)</u> | <u>(788,852)</u> | <u>(886,001)</u> | <u>(59,084)</u> |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers in | <u>853,195</u> | <u>-</u> | <u>853,195</u> | <u>788,852</u> | <u>886,001</u> | <u>(32,806)</u> |
| Net change in fund balance | (5,935) | (85,955) | (91,890) | - | - | (91,890) |
| Fund balance - beginning of year | <u>5,935</u> | <u>-</u> | <u>5,935</u> | <u>5,935</u> | <u>5,935</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ -</u> | <u>\$ (85,955)</u> | <u>\$ (85,955)</u> | <u>\$ 5,935</u> | <u>\$ 5,935</u> | <u>\$ (91,890)</u> |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|-------------|-------------------------------------|-------------|--------------------|-----------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| REVENUES | | | | | | |
| Ad valorem tax | \$ 7 | \$ - | \$ 7 | \$ - | \$ - | \$ 7 |
| Intergovernmental | 5,996 | - | 5,996 | - | 15,558 | (9,562) |
| Total revenues | 6,003 | - | 6,003 | - | 15,558 | (9,555) |
| EXPENDITURES | | | | | | |
| Personnel | 245,151 | - | 245,151 | 218,823 | 243,437 | (1,714) |
| Supplies | 83,486 | - | 83,486 | 80,000 | 80,806 | (2,680) |
| Service charges | 1,010,429 | - | 1,010,429 | 935,000 | 996,906 | (13,523) |
| Total expenditures | 1,339,066 | - | 1,339,066 | 1,233,823 | 1,321,149 | (17,917) |
| Excess (deficiency) of revenues over (under) expenditures | (1,333,063) | - | (1,333,063) | (1,233,823) | (1,305,591) | (27,472) |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers in | 1,319,896 | - | 1,319,896 | 1,233,823 | 1,305,591 | 14,305 |
| Net change in fund balance | (13,167) | - | (13,167) | - | - | (13,167) |
| Fund balance - beginning of year | 13,167 | - | 13,167 | 13,167 | 13,167 | - |
| Fund balance - end of year | \$ - | \$ - | \$ - | \$ 13,167 | \$ 13,167 | \$ (13,167) |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------------|-------------------------------------|------------------|--------------------|------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| REVENUES | | | | | | |
| Intergovernmental | \$ 230,056 | \$ - | \$ 230,056 | \$ 214,857 | \$ 210,193 | \$ 19,863 |
| Interest | 32 | - | 32 | - | - | 32 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | <u>230,088</u> | <u>-</u> | <u>230,088</u> | <u>214,857</u> | <u>210,193</u> | <u>19,895</u> |
| EXPENDITURES | | | | | | |
| Public works: | | | | | | |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total public works | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Culture and recreation: | | | | | | |
| Capital outlay | <u>38,475</u> | <u>-</u> | <u>38,475</u> | <u>-</u> | <u>-</u> | <u>(38,475)</u> |
| Total culture and recreation | <u>38,475</u> | <u>-</u> | <u>38,475</u> | <u>-</u> | <u>-</u> | <u>(38,475)</u> |
| Urban development: | | | | | | |
| Personnel | 612,597 | - | 612,597 | 656,022 | 654,996 | 42,399 |
| Supplies | 7,517 | 484 | 8,001 | 9,550 | 10,028 | 2,027 |
| Service charges | 64,963 | 1,122 | 66,085 | 76,430 | 76,595 | 10,510 |
| Capital outlay | <u>(10,077)</u> | <u>4,781</u> | <u>(5,296)</u> | <u>3,000</u> | <u>19,035</u> | <u>24,331</u> |
| Total urban development | <u>675,000</u> | <u>6,387</u> | <u>681,387</u> | <u>745,002</u> | <u>760,654</u> | <u>79,267</u> |
| Total Expenditures | <u>713,475</u> | <u>6,387</u> | <u>719,862</u> | <u>745,002</u> | <u>760,654</u> | <u>40,792</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(483,387)</u> | <u>(6,387)</u> | <u>(489,774)</u> | <u>(530,145)</u> | <u>(550,461)</u> | <u>60,687</u> |

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2013
(CONTINUED)

| | ACTUAL | ADJUSTMENT TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---------------------------------------|-------------------|-------------------------------------|-------------------|---------------------|---------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | \$ 482,156 | \$ - | \$ 482,156 | \$ 530,145 | \$ 550,461 | \$ (68,305) |
| Transfers out | <u>(646,063)</u> | <u>-</u> | <u>(646,063)</u> | <u>-</u> | <u>-</u> | <u>(646,063)</u> |
| Total other financing sources (uses) | <u>(163,907)</u> | <u>-</u> | <u>(163,907)</u> | <u>530,145</u> | <u>550,461</u> | <u>(714,368)</u> |
| Net change in fund balance | (647,294) | (6,387) | (653,681) | - | - | (653,681) |
| Fund balance - beginning of year | <u>1,060,466</u> | <u>-</u> | <u>1,060,466</u> | <u>1,060,466</u> | <u>1,060,466</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 413,172</u> | <u>\$ (6,387)</u> | <u>\$ 406,785</u> | <u>\$ 1,060,466</u> | <u>\$ 1,060,466</u> | <u>\$ (653,681)</u> |

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2013

| | ADJUSTMENT TO BUDGETARY | | | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE |
|--|----------------------------|-------|--------------|-------------------|--------------|--|
| | ACTUAL | BASIS | BUDGETARY | ORIGINAL | FINAL | (NEGATIVE) |
| REVENUES | | | | | | |
| Taxes: | | | | | | |
| Ad valorem tax | \$ 1,977,610 | \$ - | \$ 1,977,610 | \$ 1,977,605 | \$ 1,977,605 | \$ 5 |
| Interest on invested funds | 7 | - | 7 | - | - | 7 |
| Total revenues | 1,977,617 | - | 1,977,617 | 1,977,605 | 1,977,605 | 12 |
| EXPENDITURES | | | | | | |
| Debt service: | | | | | | |
| Principal | 1,550,000 | - | 1,550,000 | 1,550,000 | 1,550,000 | - |
| Interest and fiscal charges | 740,808 | - | 740,808 | 427,605 | 740,808 | - |
| Bond issuance costs | 166,797 | - | 166,797 | - | 166,797 | - |
| Total expenditures | 2,457,605 | - | 2,457,605 | 1,977,605 | 2,457,605 | - |
| Excess (deficiency) of revenues over (under) expenditures | (479,988) | - | (479,988) | - | (480,000) | 12 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Proceeds of refunding bonds | 9,205,000 | - | 9,205,000 | - | 9,205,000 | - |
| Payment to refunded bond escrow agent | (8,725,000) | - | (8,725,000) | - | (8,725,000) | - |
| Total other financing sources (uses) | 480,000 | - | 480,000 | - | 480,000 | - |
| Net change in fund balance | 12 | - | 12 | - | - | 12 |
| Fund balance - beginning of year | 49,017 | - | 49,017 | 49,017 | 49,017 | - |
| Fund balance - end of year | \$ 49,029 | \$ - | \$ 49,029 | \$ 49,017 | \$ 49,017 | \$ 12 |

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2013

| | | ADJUSTMENT TO BUDGETARY | | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE |
|--|------------|----------------------------|------------|-------------------|------------|--|
| | ACTUAL | BASIS | BUDGETARY | ORIGINAL | FINAL | (NEGATIVE) |
| REVENUES | | | | | | |
| Taxes | | | | | | |
| Fire insurance premium | \$ 249,480 | \$ - | \$ 249,480 | \$ 256,966 | \$ 256,966 | \$ (7,486) |
| Interest on invested funds | 282 | - | 282 | - | - | 282 |
| Miscellaneous | - | - | - | - | - | - |
| Total revenues | 249,762 | - | 249,762 | 256,966 | 256,966 | (7,204) |
| EXPENDITURES | | | | | | |
| Debt service: | | | | | | |
| Principal | 75,653 | - | 75,653 | 75,654 | 75,654 | 1 |
| Interest and fiscal charges | 162,049 | - | 162,049 | 162,051 | 162,051 | 2 |
| Total expenditures | 237,702 | - | 237,702 | 237,705 | 237,705 | 3 |
| Excess (deficiency) of revenues over (under) expenditures | 12,060 | - | 12,060 | 19,261 | 19,261 | (7,201) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balance | 12,060 | - | 12,060 | 19,261 | 19,261 | (7,201) |
| Fund balance - beginning of year | 689,954 | - | 689,954 | 689,954 | 689,954 | - |
| Fund balance - end of year | \$ 702,014 | \$ - | \$ 702,014 | \$ 709,215 | \$ 709,215 | \$ (7,201) |

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2013**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJ. TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|----------------------|-------------------------------|----------------------|----------------------|----------------------|--|
| | | | | ORIGINAL BUDGET | FINAL BUDGET | |
| OPERATING REVENUES | | | | | | |
| Charges for services | | | | | | |
| Sewerage service charges | \$ 6,323,934 | \$ - | \$ 6,323,934 | \$ 6,802,122 | \$ 6,802,122 | \$ (478,188) |
| Miscellaneous | - | - | - | 500 | 500 | (500) |
| Total operating revenues | <u>6,323,934</u> | <u>-</u> | <u>6,323,934</u> | <u>6,802,622</u> | <u>6,802,622</u> | <u>(478,688)</u> |
| OPERATING EXPENSES | | | | | | |
| Supplies and other expenses | (2,444) | - | (2,444) | 34 | 34 | 2,478 |
| Building and maintenance expenses | 201,741 | - | 201,741 | 90,850 | 170,592 | (31,149) |
| Outside services | 6,320,408 | - | 6,320,408 | 6,147,457 | 6,147,457 | (172,951) |
| Insurance claims | - | - | - | - | - | - |
| Insurance premiums | - | - | - | - | - | - |
| Depreciation | 2,731,631 | (2,731,631) | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Other | 15,360 | - | 15,360 | 15,500 | 15,500 | 140 |
| Total operating expenses | <u>9,266,696</u> | <u>(2,731,631)</u> | <u>6,535,065</u> | <u>6,253,841</u> | <u>6,333,583</u> | <u>(201,482)</u> |
| Operating income (loss) | <u>(2,942,762)</u> | <u>2,731,631</u> | <u>(211,131)</u> | <u>548,781</u> | <u>469,039</u> | <u>(680,170)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Ad valorem taxes | 595,762 | - | 595,762 | 527,049 | 527,049 | 68,713 |
| Hotel/motel taxes | - | - | - | - | - | - |
| Cable television franchise fees | - | - | - | - | - | - |
| Operating grants | 60,101 | - | 60,101 | - | 59,806 | 295 |
| Interest income | 12,169 | - | 12,169 | 150 | 150 | 12,019 |
| Interest expense | (643,049) | - | (643,049) | (677,150) | (677,150) | 34,101 |
| Bond issuance expense | (115,659) | - | (115,659) | - | - | (115,659) |
| Total non-operating revenues (expenses) | <u>(90,676)</u> | <u>-</u> | <u>(90,676)</u> | <u>(149,951)</u> | <u>(90,145)</u> | <u>(531)</u> |
| Income (loss) before contributions and transfers | <u>(3,033,438)</u> | <u>2,731,631</u> | <u>(301,807)</u> | <u>398,830</u> | <u>378,894</u> | <u>(680,701)</u> |
| Capital contributions | 1,308,178 | (1,308,178) | - | - | - | - |
| Transfer in | 19,936 | - | 19,936 | - | - | 19,936 |
| Transfer out | - | - | - | - | (378,894) | 378,894 |
| Change in net position | <u>(1,705,324)</u> | <u>1,423,453</u> | <u>(281,871)</u> | <u>398,830</u> | <u>-</u> | <u>(281,871)</u> |
| Net position - beginning of year (as restated) | <u>53,223,105</u> | <u>-</u> | <u>53,223,105</u> | <u>53,223,105</u> | <u>53,223,105</u> | <u>-</u> |
| Net position - end of year | <u>\$ 51,517,781</u> | <u>\$ 1,423,453</u> | <u>\$ 52,941,234</u> | <u>\$ 53,621,935</u> | <u>\$ 53,223,105</u> | <u>\$ (281,871)</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013

| | ACTUAL | ADJ. TO BUDGETARY BASIS | BUDGETARY | BUDGETARY AMOUNTS ORIGINAL BUDGET | FINAL BUDGET | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---------------|-------------------------------|---------------|---|-----------------|--|
| OPERATING REVENUES | | | | | | |
| Charges for services: | | | | | | |
| Rental charges | \$ 617,223 | \$ - | \$ 617,223 | \$ 650,000 | \$ 615,000 | \$ 2,223 |
| Parking | 49,297 | - | 49,297 | 55,000 | 55,000 | (5,703) |
| Concessions | 105,427 | - | 105,427 | 65,000 | 65,000 | 40,427 |
| Catering | 96,798 | - | 96,798 | 110,000 | 110,000 | (13,202) |
| Reimbursed services | 387,170 | - | 387,170 | 353,000 | 353,000 | 34,170 |
| Advertising | 12,989 | - | 12,989 | - | - | 12,989 |
| Miscellaneous | 28,185 | - | 28,185 | 13,000 | 13,000 | 15,185 |
| Total charges for services | 1,297,089 | - | 1,297,089 | 1,246,000 | 1,211,000 | 86,089 |
| Miscellaneous | 42,666 | - | 42,666 | 46,060 | 46,060 | (3,394) |
| Total operating revenues | 1,339,755 | - | 1,339,755 | 1,292,060 | 1,257,060 | 82,695 |
| OPERATING EXPENSES | | | | | | |
| Supplies and other expenses | 72,399 | - | 72,399 | 20,950 | 20,950 | (51,449) |
| Building and maintenance expense | 522,861 | - | 522,861 | 488,900 | 488,900 | (33,961) |
| Outside services | 1,237,448 | (729) | 1,236,719 | 1,127,510 | 1,147,510 | (89,209) |
| Insurance premiums | 87,210 | - | 87,210 | 98,600 | 98,600 | 11,390 |
| General expenses: | | | | | | |
| Depreciation | 1,248,231 | (1,248,231) | - | - | - | - |
| Other | 60,481 | - | 60,481 | - | - | (60,481) |
| Total operating expenses | 3,228,630 | (1,248,960) | 1,979,670 | 1,735,960 | 1,755,960 | (223,710) |
| Operating income (loss) | (1,888,875) | 1,248,960 | (639,915) | (443,900) | (498,900) | (141,015) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Hotel/motel taxes | 392,694 | - | 392,694 | 370,000 | 370,000 | 22,694 |
| Cable television franchise fees | 388,754 | - | 388,754 | 410,000 | 410,000 | (21,246) |
| Interest income | 582 | - | 582 | 500 | 500 | 82 |
| Intergovernmental revenue | 96,297 | (96,297) | - | - | - | - |
| Loss on disposal of assets | (483,861) | 483,861 | - | - | - | - |
| Capital improvements | - | 1,766,192 | 1,766,192 | 2,263,500 | 2,263,500 | 497,308 |
| Total non-operating revenues | 394,466 | 2,153,756 | 2,548,222 | 3,044,000 | 3,044,000 | 498,838 |
| Income(loss) before contributions, transfers, and extraordinary item | (1,494,409) | 3,402,716 | 1,908,307 | 2,600,100 | 2,545,100 | 357,823 |
| Capital Contributions | 766,469 | (766,469) | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Change in net position | (727,940) | 2,636,247 | 1,908,307 | 2,600,100 | 2,545,100 | 357,823 |
| Net position - beginning of year | 16,191,234 | - | 16,191,234 | 16,190,504 | 16,190,504 | 730 |
| Net position - end of year | \$ 15,463,294 | \$ 2,636,247 | \$ 18,099,541 | \$ 18,790,604 | \$ 18,735,604 | \$ 358,553 |

**CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2013**

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

| | SELF- INSURANCE FUND | HEALTH INSURANCE FUND | TOTAL |
|---------------------------------------|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash | \$ 221,752 | \$ 384,270 | \$ 606,022 |
| Equity in pooled cash | - | - | - |
| Investments | - | - | - |
| Due from other funds | - | - | - |
| | <u>221,752</u> | <u>384,270</u> | <u>606,022</u> |
| Total assets | | | |
| | <u>221,752</u> | <u>384,270</u> | <u>606,022</u> |
| DEFERRED OUTFLOWS OF RESOURCES | - | - | - |
| LIABILITIES | | | |
| Accounts payable | 4,881 | 1,800 | 6,681 |
| Estimated claims payable | 4,707,539 | - | 4,707,539 |
| Due to other funds | 92,827 | 374,873 | 467,700 |
| | <u>4,805,247</u> | <u>376,673</u> | <u>5,181,920</u> |
| Total liabilities | | | |
| | <u>4,805,247</u> | <u>376,673</u> | <u>5,181,920</u> |
| DEFERRED INFLOWS OF RESOURCES | - | - | - |
| NET POSITION | | | |
| Unrestricted | <u>\$ (4,583,495)</u> | <u>\$ 7,597</u> | <u>\$ (4,575,898)</u> |

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

| | <u>SELF- INSURANCE FUND</u> | <u>HEALTH INSURANCE FUND</u> | <u>TOTAL</u> |
|--|-------------------------------------|--------------------------------------|------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | <u>\$ 765,000</u> | <u>\$ 4,751,564</u> | <u>\$ 5,516,564</u> |
| OPERATING EXPENSES | | | |
| Outside services | 91,550 | - | 91,550 |
| Insurance claims | 733,681 | - | 733,681 |
| Insurance premiums | <u>-</u> | <u>4,756,392</u> | <u>4,756,392</u> |
| Total operating expenses | <u>825,231</u> | <u>4,756,392</u> | <u>5,581,623</u> |
| Operating income | <u>(60,231)</u> | <u>(4,828)</u> | <u>(65,059)</u> |
| NON-OPERATING REVENUE (EXPENSE) | | | |
| Interest revenue | <u>249</u> | <u>28</u> | <u>277</u> |
| Total non-operating revenue | <u>249</u> | <u>28</u> | <u>277</u> |
| Income before transfers | (59,982) | (4,800) | (64,782) |
| Transfers in | <u>-</u> | <u>4,800</u> | <u>4,800</u> |
| Change in net position | (59,982) | - | (59,982) |
| Net position - beginning of year | <u>(4,523,513)</u> | <u>7,597</u> | <u>(4,515,916)</u> |
| Net position - end of year | <u><u>\$ (4,583,495)</u></u> | <u><u>\$ 7,597</u></u> | <u><u>\$ (4,575,898)</u></u> |

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

| | SELF- INSURANCE FUND | HEALTH INSURANCE FUND | TOTAL |
|--|----------------------------|-----------------------------|---------------------|
| Cash flows from operating activities: | | | |
| Receipts from insured | \$ 765,000 | \$ 4,751,564 | \$ 5,516,564 |
| Payments to suppliers | (946,782) | (4,754,592) | (5,701,374) |
| Internal activity - payments to other funds | (45,285) | (9,235) | (54,520) |
| Net cash used for operating activities | <u>(227,067)</u> | <u>(12,263)</u> | <u>(239,330)</u> |
| Cash flows from non-capital financing activities: | | | |
| Internal activity-receipts from other funds | - | 4,800 | 4,800 |
| Net cash provided by non-capital financing activities | <u>-</u> | <u>4,800</u> | <u>4,800</u> |
| Cash flows from investing activities: | | | |
| Proceeds from sales and maturities of investments | - | - | - |
| Purchases of investments | - | - | - |
| Interest and dividends received | 248 | 28 | 276 |
| Net cash provided by investing activities | <u>248</u> | <u>28</u> | <u>276</u> |
| Net increase (decrease) in cash and cash equivalents | (226,819) | (7,435) | (234,254) |
| Cash and cash equivalents, beginning of year | 448,571 | 391,705 | 840,276 |
| Cash and cash equivalents, end of year | <u>\$ 221,752</u> | <u>\$ 384,270</u> | <u>\$ 606,022</u> |
| Reconciliation to Statement of Net Position: | | | |
| Cash | \$ 221,752 | \$ 384,270 | \$ 606,022 |
| Equity in pooled cash | - | - | - |
| Cash and cash equivalents, end of year | <u>\$ 221,752</u> | <u>\$ 384,270</u> | <u>\$ 606,022</u> |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | | |
| Operating income | \$ (60,231) | \$ (4,828) | \$ (65,059) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Change in assets and liabilities: | | | |
| Decrease in due from other funds | - | - | - |
| Increase in accounts payable | (1,988) | 1,800 | (188) |
| Decrease in estimated claims payable | (119,563) | - | (119,563) |
| Increase (decrease) in due to other funds | (45,285) | (9,235) | (54,520) |
| Total adjustments | <u>(166,836)</u> | <u>(7,435)</u> | <u>(174,271)</u> |
| Net cash provided by (used for) operating activities | <u>\$ (227,067)</u> | <u>\$ (12,263)</u> | <u>\$ (239,330)</u> |

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

| | SELF- INSURANCE FUND | HEALTH INSURANCE FUND | TOTAL |
|--|----------------------------|-----------------------------|-----------------|
| Noncash investing, capital, and financing activities: | | | |
| Gain on fair market value of investments | \$ - | \$ - | \$ - |
| (Increase) in fair market value of investments | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Net effect of noncash activities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**CITY OF KENNER, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
YEAR ENDED JUNE 30, 2013**

| <u>COUNCILPERSON</u> | <u>NUMBER OF DAYS SERVED</u> | <u>COMPENSATION</u> |
|----------------------|----------------------------------|---------------------|
| Jeannie Black | 365 | \$ 26,964 |
| Michele Branigan | 365 | 26,971 |
| Gregory Carroll | 365 | 20,637 |
| Maria Defrancesch | 365 | 21,137 |
| Kent Denapolis | 365 | 20,637 |
| Keith Reynaud | 365 | 20,637 |
| Joseph Stagni | 365 | 21,137 |

STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

Contents

Schedules

Financial Trends

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.

Debt Capacity

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF KENNER, LOUISIANA
SCHEDULE 1 -- NET POSITION BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 248,306,577 | \$ 244,639,856 | \$ 234,218,393 | \$ 226,326,766 | \$ 205,360,570 | \$ 176,582,658 | \$ 180,438,285 |
| Restricted | 23,398,322 | 27,218,388 | 22,121,215 | 18,214,320 | 17,903,956 | 29,772,780 | 20,477,759 |
| Unrestricted | 15,404,612 | 7,235,778 | 1,516,876 | (2,398,068) | (127,032) | 2,692,277 | (4,721,675) |
| Total governmental activities net position | \$ 287,109,511 | \$ 279,094,022 | \$ 257,856,484 | \$ 242,143,018 | \$ 223,137,494 | \$ 209,047,715 | \$ 196,194,369 |
| Business-type activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 72,959,236 | \$ 72,161,240 | \$ 70,647,425 | \$ 67,464,821 | \$ 70,674,888 | \$ 72,572,594 | \$ 56,241,502 |
| Restricted | - | - | - | - | - | - | 15,068,526 |
| Unrestricted | 5,282,191 | 2,795,799 | 2,238,244 | 618,663 | (709,274) | (1,087,284) | (4,328,953) |
| Total business-type activities net position | \$ 78,241,427 | \$ 74,957,039 | \$ 72,885,669 | \$ 68,083,484 | \$ 69,965,614 | \$ 71,485,310 | \$ 66,981,075 |
| Primary government | | | | | | | |
| Invested in capital assets, net of related debt | \$ 321,265,813 | \$ 316,801,096 | \$ 304,865,818 | \$ 293,791,587 | \$ 276,035,458 | \$ 249,155,252 | \$ 236,679,787 |
| Restricted | 23,398,322 | 27,218,388 | 22,121,215 | 18,214,320 | 17,903,956 | 29,772,780 | 35,546,285 |
| Unrestricted | 20,686,803 | 10,031,577 | 3,755,120 | (1,779,405) | (836,306) | 1,604,993 | (9,050,628) |
| Total primary government net position | \$ 365,350,938 | \$ 354,051,061 | \$ 330,742,153 | \$ 310,226,502 | \$ 293,103,108 | \$ 280,533,025 | \$ 263,175,444 |

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 – CHANGES IN NET POSITION
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | | | |
|---|---------------|---------------|----------------|---------------|----------------|----------------|----------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 12,907,101 | \$ 13,289,818 | \$ 13,018,580 | \$ 12,445,711 | \$ 13,331,542 | \$ 13,518,067 | \$ 14,334,561 |
| Public safety | 29,353,249 | 27,769,729 | 28,264,207 | 28,176,202 | 28,981,374 | 30,120,747 | 29,726,401 |
| Public works | 33,441,899 | 27,424,676 | 36,922,961 | 30,431,909 | 36,657,670 | 31,743,384 | 30,447,190 |
| Health and welfare | 878,512 | 899,891 | 981,103 | 927,097 | 756,235 | 478,916 | 461,077 |
| Culture and recreation | 6,247,393 | 6,914,409 | 7,250,042 | 9,550,670 | 7,066,031 | 6,075,269 | 7,458,593 |
| Transit and urban development | 1,439,340 | 1,767,208 | 1,672,568 | 1,981,932 | 1,537,013 | 5,065,979 | 2,178,189 |
| Miscellaneous | - | - | - | - | - | - | - |
| Interest on long-term debt and other charges | 2,454,040 | 2,229,839 | 2,044,374 | 1,858,468 | 1,688,282 | 1,696,804 | 1,582,211 |
| Debt issuance costs | - | - | - | - | - | - | 166,797 |
| Total governmental activities expenses | 86,721,534 | 80,295,570 | 90,153,835 | 85,371,989 | 90,018,147 | 88,699,166 | 86,355,019 |
| Business-type activities: | | | | | | | |
| Wastewater operations | 7,575,122 | 7,654,289 | 7,337,405 | 7,282,712 | 7,233,176 | 8,482,102 | 12,357,605 |
| Civic center operations | 2,514,437 | 3,286,880 | 3,149,541 | 3,156,767 | 3,321,275 | 3,359,257 | 3,228,630 |
| Total business-type activities expenses | 10,089,559 | 10,941,169 | 10,486,946 | 10,439,479 | 10,554,451 | 11,841,359 | 15,586,235 |
| Total primary government expenses | \$ 96,811,093 | \$ 91,236,739 | \$ 100,640,781 | \$ 95,811,468 | \$ 100,572,598 | \$ 100,540,525 | \$ 101,941,254 |
| Program Revenues | | | | | | | |
| Governmental activities: | | | | | | | |
| Charges for services: | | | | | | | |
| General government | \$ 5,960,491 | \$ 4,803,865 | \$ 5,607,294 | \$ 5,959,847 | \$ 6,794,368 | \$ 8,101,475 | \$ 7,397,121 |
| Public safety | 2,939,746 | 3,157,328 | 3,264,140 | 4,828,953 | 3,456,639 | 3,529,877 | 3,582,022 |
| Public works | 3,566,541 | 3,582,874 | 3,548,013 | 4,027,778 | 4,303,084 | 3,975,986 | 4,219,748 |
| Other activities | 1,210,952 | 1,119,940 | 1,157,862 | 1,325,504 | 1,405,306 | 1,143,772 | 1,022,077 |
| Operating grants and contributions | 6,184,413 | 1,485,783 | 2,736,962 | 2,321,055 | 2,497,951 | 1,528,912 | 2,119,168 |
| Capital grants and contributions | 1,016,018 | 1,722,264 | 1,104,317 | 3,617,474 | 1,810,855 | 7,238,923 | 3,843,389 |
| Total governmental activities program revenues | 20,878,161 | 15,872,054 | 17,418,589 | 22,080,611 | 20,268,203 | 25,518,945 | 22,183,525 |
| Business-type activities: | | | | | | | |
| Charges for services: | | | | | | | |
| Wastewater operations | 3,836,783 | 3,560,457 | 3,558,879 | 3,517,961 | 4,399,069 | 5,670,289 | 6,323,934 |
| Civic center operations | 1,338,906 | 1,432,841 | 1,297,787 | 1,266,846 | 1,258,957 | 1,441,990 | 1,297,089 |
| Operating grants and contributions | - | - | - | - | - | - | - |
| Capital grants and contributions | 1,011,405 | 1,523,258 | 2,020,875 | 325,899 | 6,706,005 | - | 4,406,848 |
| Total business-type activities program revenues | 6,187,094 | 6,516,556 | 6,877,541 | 5,110,706 | 12,364,031 | 7,112,279 | 12,027,871 |
| Total primary government program revenues | \$ 27,065,255 | \$ 22,388,610 | \$ 24,296,130 | \$ 27,191,317 | \$ 32,632,234 | \$ 32,631,224 | \$ 34,211,396 |

(Continued)

Source: Audited Comprehensive Annual Financial Reports
Information available for seven years

CITY OF KENNER, LOUISIANA
SCHEDULE 2 – CHANGES IN NET POSITION
LAST SEVEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Net (Expense) Revenue | | | | | | | |
| Governmental activities | \$ (65,843,373) | \$ (64,423,516) | \$ (72,735,246) | \$ (63,291,378) | \$ (69,749,944) | \$ (63,180,221) | \$ (64,171,494) |
| Business-type activities | (3,902,465) | (4,424,613) | (3,609,405) | (5,328,773) | 1,809,580 | 652,688 | (3,558,364) |
| Total primary government net expense | \$ (69,745,838) | \$ (68,848,129) | \$ (76,344,651) | \$ (68,620,151) | \$ (67,940,364) | \$ (62,527,533) | \$ (67,729,858) |
| General Revenues and Other Changes in Net Position | | | | | | | |
| Governmental activities: | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem | \$ 6,699,015 | \$ 7,717,615 | \$ 7,752,642 | \$ 7,479,348 | \$ 7,940,366 | \$ 7,876,865 | \$ 7,617,724 |
| Sales and use | 37,656,053 | 34,844,151 | 31,580,500 | 29,758,967 | 30,788,076 | 30,371,384 | 31,708,191 |
| Beer tax | 88,947 | 86,346 | 80,061 | 77,085 | 70,485 | 77,787 | 76,434 |
| Parking | 1,850,618 | 1,967,173 | 1,932,718 | 1,864,772 | 1,952,097 | 2,007,642 | 2,090,075 |
| Franchise | 8,501,548 | 8,290,040 | 8,044,911 | 7,648,751 | 8,142,735 | 7,926,562 | 7,916,445 |
| Unrestricted grants and contributions | 1,015,006 | 609,237 | 1,067,893 | 118,139 | 313,757 | 164,992 | 218,121 |
| Investment earnings | 1,771,428 | 1,190,080 | 312,019 | 40,466 | 56,054 | 35,278 | 40,631 |
| Miscellaneous | 3,542,060 | 276,211 | 844,350 | 240,378 | 190,806 | 237,906 | 242,494 |
| Gain (loss) on disposal of capital assets | - | - | - | - | 85,951 | - | 99 |
| Transfers | (424,547) | 1,427,171 | (225,000) | - | 1,204,100 | 392,024 | (19,936) |
| Total governmental activities | 60,700,128 | 56,408,024 | 51,390,094 | 47,227,906 | 50,744,427 | 49,090,440 | 49,890,278 |
| Business-type activities: | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem | 445,939 | 452,936 | 509,652 | 522,429 | 512,750 | 524,658 | 595,762 |
| Sales and use | 196,045 | 144,116 | 340,181 | 382,424 | 340,181 | 304,110 | - |
| Franchise | 354,778 | 402,066 | 439,614 | 454,143 | 421,522 | 403,104 | 781,448 |
| Unrestricted grants and contributions | 587,691 | 495,394 | - | 2,552 | 97 | 13,835 | 156,398 |
| Investment earnings | 166,101 | 40,033 | 5,642 | 1,139 | 942 | 4,453 | 12,751 |
| Miscellaneous | 32,610 | 19,574 | 17,945 | 11,545 | 1,158 | 8,872 | 42,666 |
| Gain (loss) on disposal of capital assets | - | - | - | - | - | - | (483,861) |
| Proceeds from insurance | 4,010,212 | 1,013,277 | - | - | - | - | - |
| Transfers | 424,547 | (1,427,171) | 225,000 | (497,644) | (1,204,100) | (392,024) | 19,936 |
| Total business-type activities | 6,217,923 | 1,140,225 | 1,538,034 | 876,588 | 72,550 | 867,008 | 1,125,100 |
| Total primary government | \$ 66,918,051 | \$ 57,548,249 | \$ 52,928,128 | \$ 48,104,494 | \$ 50,816,977 | \$ 49,957,448 | \$ 51,015,378 |
| Change in Net Position | | | | | | | |
| Governmental activities | \$ (5,143,245) | \$ (8,015,492) | \$ (21,345,152) | \$ (16,063,472) | \$ (19,005,517) | \$ (14,089,781) | \$ (14,281,216) |
| Business-type activities | 2,315,458 | (3,284,388) | (2,071,371) | (4,452,185) | 1,882,130 | 1,519,696 | (2,433,264) |
| Total primary government | \$ (2,827,787) | \$ (11,299,880) | \$ (23,416,523) | \$ (20,515,657) | \$ (17,123,387) | \$ (12,570,085) | \$ (16,714,480) |

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| General fund | | | | | |
| Reserved | \$ 1,534,036 | \$ 1,807,313 | \$ 3,488,905 | \$ 3,015,687 | \$ 2,731,484 |
| Unreserved | 9,192,906 | 8,566,552 | 11,923,761 | 14,548,014 | 10,372,283 |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total general fund | <u>\$ 10,726,942</u> | <u>\$ 10,373,865</u> | <u>\$ 15,412,666</u> | <u>\$ 17,563,701</u> | <u>\$ 13,103,767</u> |
| All other governmental funds | | | | | |
| Reserved | \$ 7,369,895 | \$ 12,612,559 | \$ 8,873,307 | \$ 8,263,025 | \$ 5,064,190 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 1,068,431 | 850,335 | 101,618 | 383,160 | 472,611 |
| Capital projects funds | 27,038,670 | 13,873,112 | 12,298,987 | 14,252,947 | 20,811,754 |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | - | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 35,476,996</u> | <u>\$ 27,336,006</u> | <u>\$ 21,273,912</u> | <u>\$ 22,899,132</u> | <u>\$ 26,348,555</u> |

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 3 – FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General fund | | | | | |
| Reserved | \$ 3,067,891 | \$ 1,513,885 | \$ - | \$ - | \$ - |
| Unreserved | 5,767,289 | 6,480,932 | - | - | - |
| Nonspendable | - | - | 489,360 | 527,355 | 635,059 |
| Restricted | - | - | 1,986,029 | 2,186,205 | 2,225,664 |
| Committed | - | - | 410,554 | 939,732 | 345,445 |
| Assigned | - | - | 2,012,582 | 3,502,878 | 2,397,898 |
| Unassigned | - | - | 7,686,775 | 6,561,410 | 6,517,899 |
| Total general fund | <u>\$ 8,835,180</u> | <u>\$ 7,994,817</u> | <u>\$ 12,585,300</u> | <u>\$ 13,717,580</u> | <u>\$ 12,121,965</u> |
| All other governmental funds | | | | | |
| Reserved | \$ 5,363,166 | \$ 4,603,768 | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 530,256 | 597,914 | - | - | - |
| Capital projects funds | 16,585,811 | 13,097,466 | - | - | - |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | 18,601,334 | 30,998,309 | 18,252,095 |
| Committed | - | - | 70,291 | 2,016,844 | 1,439,396 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | (396,366) | - | (465,042) |
| Total all other governmental funds | <u>\$ 22,479,233</u> | <u>\$ 18,299,148</u> | <u>\$ 18,275,259</u> | <u>\$ 33,015,153</u> | <u>\$ 19,226,449</u> |

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | |
|--|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| Revenues | | | | | |
| Taxes | \$ 48,272,274 | \$ 49,244,807 | \$ 53,238,001 | \$ 54,009,655 | \$ 51,739,778 |
| Licenses and permits | 2,687,581 | 2,823,174 | 2,681,243 | 3,148,087 | 3,018,733 |
| Intergovernmental | 3,914,996 | 5,730,564 | 38,022,399 | 9,133,635 | 4,719,364 |
| Charges for services | 3,450,591 | 4,324,475 | 2,807,703 | 3,262,439 | 4,078,054 |
| Fines and forfeitures | 2,472,038 | 1,922,748 | 1,470,243 | 1,765,365 | 1,914,909 |
| Interest | 229,500 | 828,905 | 1,161,375 | 1,590,888 | 1,065,024 |
| Premium on bonds issued | - | - | - | - | - |
| Miscellaneous | 1,560,180 | 1,481,979 | 1,765,627 | 4,434,300 | 1,065,050 |
| Total revenues | <u>62,587,160</u> | <u>66,356,652</u> | <u>101,146,591</u> | <u>77,344,369</u> | <u>67,600,912</u> |
| Expenditures | | | | | |
| General government | 9,446,197 | 9,326,088 | 15,872,062 | 11,312,207 | 11,268,348 |
| Public safety | 23,412,514 | 22,855,609 | 24,607,342 | 26,286,768 | 25,052,506 |
| Public works | 16,770,248 | 25,165,435 | 43,955,321 | 19,286,746 | 17,405,299 |
| Health and welfare | 675,729 | 736,402 | 768,738 | 813,585 | 809,371 |
| Culture and recreation | 6,779,011 | 5,958,943 | 7,072,612 | 6,174,965 | 6,096,907 |
| Transit and urban development | 1,333,340 | 1,340,747 | 1,216,410 | 1,379,316 | 1,708,333 |
| Miscellaneous | 1,103,691 | 1,232,809 | - | - | - |
| Debt Service | | | | | |
| Principal | 4,933,939 | 5,207,731 | 4,957,148 | 5,120,020 | 5,348,709 |
| Interest and fiscal charges | 2,966,450 | 2,990,955 | 2,781,023 | 2,551,708 | 2,313,121 |
| Agent fees | 49,905 | - | - | - | - |
| Debt issuance costs | - | - | - | - | - |
| Miscellaneous | 34,500 | 36,000 | 36,000 | 36,000 | 36,000 |
| Total expenditures | <u>67,505,524</u> | <u>74,850,719</u> | <u>101,266,656</u> | <u>72,961,315</u> | <u>70,038,594</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,918,364)</u> | <u>(8,494,067)</u> | <u>(120,065)</u> | <u>4,383,054</u> | <u>(2,437,682)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 21,552,254 | 19,076,976 | 23,673,849 | 22,317,271 | 26,252,654 |
| Transfers out | (21,552,254) | (19,076,976) | (24,577,077) | (22,924,071) | (24,825,483) |
| Premium on bonds issued | - | - | - | - | - |
| Long-term debt issued | - | - | - | - | - |
| Payment to refunded bonds escrow agent | - | - | - | - | - |
| Proceeds of refunding bonds and other debt | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(903,228)</u> | <u>(606,800)</u> | <u>1,427,171</u> |
| Net change in fund balances | <u>\$ (4,918,364)</u> | <u>\$ (8,494,067)</u> | <u>\$ (1,023,293)</u> | <u>\$ 3,776,254</u> | <u>\$ (1,010,511)</u> |
| Debt service, (interest and principal only) as a percentage of noncapital expenditures | <u>12.67%</u> | <u>11.88%</u> | <u>8.23%</u> | <u>11.66%</u> | <u>12.69%</u> |

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | |
| Taxes | \$ 47,986,366 | \$ 45,799,281 | \$ 47,782,458 | \$ 47,822,765 | \$ 48,702,710 |
| Licenses and permits | 2,903,728 | 4,402,801 | 3,508,681 | 3,462,423 | 3,445,677 |
| Intergovernmental | 5,743,213 | 6,825,921 | 5,519,796 | 9,840,654 | 7,039,477 |
| Charges for services | 3,653,004 | 4,408,484 | 4,657,430 | 4,272,206 | 4,619,331 |
| Fines and forfeitures | 1,844,873 | 2,124,594 | 2,602,543 | 2,885,847 | 2,322,357 |
| Interest | 265,958 | 13,201 | 27,253 | 5,188 | 15,273 |
| Miscellaneous | 2,001,135 | 1,458,777 | 869,151 | 853,842 | 746,692 |
| Total revenues | 64,398,277 | 65,033,059 | 64,967,312 | 69,142,925 | 66,891,517 |
| Expenditures | | | | | |
| General government | 11,210,646 | 10,457,451 | 10,490,966 | 10,874,488 | 11,700,333 |
| Public safety | 25,057,413 | 24,891,692 | 24,859,654 | 26,418,059 | 26,629,412 |
| Public works | 19,521,070 | 17,940,695 | 20,653,967 | 18,150,570 | 14,657,352 |
| Health and welfare | 741,978 | 684,543 | 611,230 | 384,177 | 398,757 |
| Culture and recreation | 6,286,562 | 8,564,497 | 5,668,520 | 4,575,485 | 6,094,878 |
| Transit and urban development | 1,604,607 | 1,858,565 | 1,451,668 | 5,044,566 | 2,086,908 |
| Miscellaneous | - | - | - | - | - |
| Debt Service | | | | | |
| Principal | 5,562,517 | 5,946,595 | 4,580,965 | 5,944,643 | 5,483,832 |
| Interest and fiscal charges | 2,114,697 | 1,924,444 | 1,711,023 | 1,611,510 | 1,794,687 |
| Agent fees | - | - | - | - | - |
| Debt issuance costs | - | - | - | 417,120 | 166,797 |
| Miscellaneous | 36,000 | 36,000 | 36,000 | 36,000 | 36,000 |
| Total expenditures | 72,135,490 | 72,304,482 | 70,063,993 | 73,456,618 | 69,048,956 |
| Excess (deficiency) of revenues over (under) expenditures | (7,737,213) | (7,271,423) | (5,096,681) | (4,313,693) | (2,157,439) |
| Other financing sources (uses) | | | | | |
| Transfers in | 24,007,673 | 19,826,803 | 16,071,100 | 21,195,128 | 19,747,075 |
| Transfers out | (24,515,984) | (19,608,479) | (14,867,006) | (20,803,921) | (19,771,811) |
| Premium on bonds issued | - | - | - | 190,707 | - |
| Long-term debt issued | - | - | - | - | 424,838 |
| Payment to refunded bond escrow agent | - | - | - | - | (8,725,000) |
| Proceeds of refunding bonds and other debt | - | 2,032,646 | 8,459,187 | 19,603,953 | 9,205,000 |
| Total other financing sources (uses) | (508,311) | 2,250,970 | 9,663,281 | 20,185,867 | 880,102 |
| Net change in fund balances | \$ (8,245,524) | \$ (5,020,453) | \$ 4,566,600 | \$ 15,872,174 | \$ (1,277,337) |
| Debt service, (interest and principal only) as a percentage of noncapital expenditures | 11.22% | 11.98% | 9.11% | 10.67% | 10.36% |

CITY OF KENNER, LOUISIANA
SCHEDULE 5 – DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>City Direct Rate (1)</u> | <u>Overlapping Rates</u> | |
|--------------------|-------------------------------------|---------------------------------|--|
| | | <u>Jefferson Parish (2)</u> | <u>Jefferson Parish School Board</u> |
| 2003 | 2.5833% | 0.1667% | 2.0000% |
| 2004 | 2.5833% | 0.1667% | 2.0000% |
| 2005 | 2.5833% | 0.1667% | 2.0000% |
| 2006 | 2.5833% | 0.1667% | 2.0000% |
| 2007 | 2.5833% | 0.1667% | 2.0000% |
| 2008 | 2.5833% | 0.1667% | 2.0000% |
| 2009 | 2.5833% | 0.1667% | 2.0000% |
| 2010 | 2.5833% | 0.1667% | 2.0000% |
| 2011 | 2.5833% | 0.1667% | 2.0000% |
| 2012 | 2.5833% | 0.1667% | 2.0000% |
| 2013 | 2.5833% | 0.1667% | 2.0000% |

- NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.
- (2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.
- (3) Information regarding the breakdown of taxable sales by category is not available.
- (4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Real Estate | Personal Property | Tax Sale | Public Service Corporations | Railway Rolling Stock | Total Assessments | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value (1) |
|--------------------|--------------------|--------------------------|-----------------|------------------------------------|------------------------------|--------------------------|---------------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 2004 | \$322,026,628 | \$ 77,645,279 | \$1,989,158 | \$31,033,936 | \$ 57,070 | \$432,752,071 | \$ 107,368,993 | \$325,383,078 | 27.79 | \$ 3,965,066,427 | 8.21% |
| 2005 | 369,431,810 | 79,188,729 | 3,320,253 | 32,768,233 | 57,790 | 484,766,815 | 110,125,676 | 374,641,139 | 24.34 | 4,474,285,643 | 8.37% |
| 2006 | 286,403,720 | 86,273,418 | 1,207,933 | 32,958,375 | 54,090 | 406,897,536 | 88,406,826 | 318,490,710 | 23.93 | 3,671,355,750 | 8.68% |
| 2007 | 288,932,430 | 95,346,480 | 1,186,233 | 27,614,404 | 30,310 | 413,109,857 | 88,061,041 | 325,048,816 | 23.93 | 4,034,995,413 | 8.06% |
| 2008 | 327,511,670 | 92,948,219 | 1,371,023 | 23,700,582 | 36,100 | 445,567,594 | 93,303,048 | 352,264,546 | 23.93 | 4,371,983,590 | 8.06% |
| 2009 | 444,827,980 | 96,831,156 | 2,693,550 | 26,184,409 | 40,700 | 570,577,795 | 106,243,290 | 464,334,505 | 18.13 | 5,295,590,450 | 8.77% |
| 2010 | 448,346,980 | 94,662,776 | 2,789,130 | 27,699,147 | 46,460 | 573,544,493 | 105,611,567 | 467,932,926 | 18.13 | 5,327,416,986 | 8.78% |
| 2011 | 450,120,302 | 83,599,919 | 2,884,080 | 27,480,863 | 34,570 | 564,119,734 | 105,508,260 | 458,611,474 | 18.13 | 5,270,812,833 | 8.70% |
| 2012 | 448,440,989 | 85,289,971 | 5,465,150 | 30,771,874 | 50,200 | 570,018,184 | 103,970,210 | 466,047,974 | 18.13 | 5,313,141,691 | 8.77% |
| 2013 | 459,736,113 | 90,962,548 | 4,619,090 | 30,393,912 | 56,450 | 585,768,113 | 102,620,280 | 483,147,833 | 17.51 | 5,452,971,430 | 8.86% |

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

CITY OF KENNER, LOUISIANA
SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)

| Fiscal Year | City Direct Rates | | | | | | | Overlapping Rate | Total Direct & Overlapping Rates |
|------------------------|--------------------------|-------------------------------|----------------------------|--|---|----------------------------------|-------------------------|---|---|
| | Basic Rate | Garbage Collection | Fire Protection | General Obligation Debt Service | Street Maintenance & Improvement | Wastewater Operations | Total Direct | Jefferson Parish Districts (1) | |
| 2004 | \$ 3.11 | \$ 2.40 | \$ 11.02 | \$ 0.75 | \$ 8.80 | \$ 1.71 | \$ 27.79 | \$ 69.82 | \$ 97.61 |
| 2005 | 2.75 | 2.12 | 9.76 | 0.41 | 7.79 | 1.51 | 24.34 | 67.25 | 91.59 |
| 2006 | 2.75 | 2.12 | 9.76 | - | 7.79 | 1.51 | 23.93 | 76.95 | 100.88 |
| 2007 | 2.75 | 2.12 | 9.76 | - | 7.79 | 1.51 | 23.93 | 68.60 | 92.53 |
| 2008 | 2.75 | 2.12 | 9.76 | - | 7.79 | 1.51 | 23.93 | 63.41 | 87.34 |
| 2009 | 2.08 | 1.61 | 7.40 | - | 5.90 | 1.14 | 18.13 | 64.46 | 82.59 |
| 2010 | 2.08 | 1.61 | 7.40 | - | 5.90 | 1.14 | 18.13 | 64.46 | 82.59 |
| 2011 | 2.08 | 1.61 | 7.40 | - | 5.90 | 1.14 | 18.13 | 64.46 | 82.59 |
| 2012 | 2.08 | 1.61 | 7.40 | - | 5.90 | 1.14 | 18.13 | 67.05 | 85.18 |
| 2013 | 2.01 | 1.55 | 7.15 | - | 5.70 | 1.10 | 17.51 | 66.28 | 83.79 |

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

| Taxpayer | June 30, 2013 | | | June 30, 2004 | | |
|-------------------------|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Five Properties | \$ 8,396,350 | 1 | 5.00% | | | |
| Esplanade Mall Ltd Ptn. | 6,590,930 | 2 | 4.00% | \$ 8,600,450 | 2 | 2.1% |
| Pellerin Millnor | 5,491,360 | 3 | 3.00% | 2,321,749 | 9 | 0.60% |
| Southwest Airlines | 5,486,050 | 4 | 3.00% | 9,434,620 | 1 | 2.3% |
| Entergy Louisiana | 4,857,780 | 5 | 3.00% | 3,508,784 | 4 | 0.80% |
| Bellsouth | 4,374,877 | 6 | 3.00% | 4,792,540 | 3 | 1.20% |
| Westport Petroleum | 4,336,116 | 7 | 3.00% | | | |
| Wal-Mart | 4,178,250 | 8 | 2.00% | | | |
| Treasure Chest Casino | 4,152,199 | 9 | 3.00% | 3,448,773 | 5 | 0.80% |
| Entergy Louisiana | 3,544,195 | 10 | 2.00% | | | |
| Continental Airlines | | | | 2,692,800 | 6 | 0.70% |
| Sprint Spectrum LP | | | | 2,608,972 | 7 | 0.60% |
| United Airlines | | | | 2,585,370 | 8 | 0.60% |
| Kenner Hotel Ltd. Ptn. | | | | 2,283,010 | 10 | 0.60% |
| Totals | <u>\$51,408,107</u> | | <u>31.56%</u> | <u>\$42,277,068</u> | | <u>10.30%</u> |

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected (or Adjusted) within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------|---|---|---------------------------|--|----------------------------------|---------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2004 | \$ 9,042,453 | \$ 8,675,012 | 95.94% | 190,534 | 8,865,546 | 98.04% |
| 2005 | 9,118,769 | 8,781,235 | 96.30% | 110,028 | 8,891,263 | 97.51% |
| 2006 | 7,621,482 | 6,977,226 | 91.55% | 489,144 | 7,466,370 | 97.96% |
| 2007 | 7,778,454 | 7,536,507 | 96.89% | 166,041 | 7,702,548 | 99.02% |
| 2008 | 8,429,734 | 8,033,426 | 95.30% | 158,100 | 8,191,526 | 97.17% |
| 2009 | 8,418,398 | 7,954,419 | 94.49% | 166,905 | 8,121,324 | 96.47% |
| 2010 | 8,483,637 | 8,141,338 | 95.97% | 183,556 | 8,324,894 | 98.13% |
| 2011 | 8,314,639 | 7,974,603 | 95.91% | 156,991 | 8,131,594 | 97.80% |
| 2012 | 8,449,463 | 8,134,682 | 96.27% | 85,584 | 8,220,266 | 97.29% |
| 2013 | 8,459,927 | 8,076,814 | 95.47% | N/A | 8,076,814 | 95.47% |

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | Governmental Activities | | | | | | | | Business-Type Activities | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--------------------------|-------------------------|------------------------------|--------------------|--------------------|---------------|---------------------------|-------------------|--------------------------|---------------------|--------------------------|-----------------------------------|----------------|
| | General Obligation Bonds | Sales Tax Revenue Bonds | Certificates of Indebtedness | LCDA Revenue Bonds | LDEQ Taxable Bonds | Notes Payable | Capital Lease Obligations | Other Obligations | Mortgage Payable | Sewer Revenue Bonds | | | |
| 2004 | \$ 257,869 | \$ 43,878,803 | \$ 7,305,000 | \$ 21,084,981 | \$ - | \$ 2,778,934 | \$ 209,185 | \$ - | \$ 11,465 | \$ - | \$ 75,526,237 | 3.39% | 1,071 |
| 2005 | - | 41,025,198 | 6,315,000 | 19,926,077 | - | 2,735,204 | 120,184 | - | 8,271 | - | 70,129,934 | 3.27% | 998 |
| 2006 | - | 37,345,000 | 5,260,000 | 18,475,000 | - | 2,688,403 | 24,867 | - | 4,751 | - | 63,798,021 | 3.60% | 913 |
| 2007 | - | 34,650,000 | 4,145,000 | 17,240,000 | - | 2,638,251 | - | - | 872 | - | 58,674,123 | 3.94% | 881 |
| 2008 | - | 31,830,000 | 2,965,000 | 15,945,000 | - | 2,584,508 | - | - | - | - | 53,324,508 | 3.66% | 818 |
| 2009 | - | 28,925,000 | 1,715,000 | 14,595,000 | - | 2,527,025 | - | - | - | - | 47,762,025 | 3.06% | 729 |
| 2010 | - | 25,945,000 | 200,000 | 13,205,000 | 2,150,621 | 2,465,430 | - | - | - | - | 43,966,051 | 2.73% | 648 |
| 2011 | - | 23,262,062 | 200,000 | 11,858,593 | 10,609,808 | 2,399,465 | - | - | - | - | 48,329,928 | 3.05% | 725 |
| 2012 | - | 20,008,776 | - | 10,346,622 | 13,194,761 | 2,328,787 | - | - | - | 16,185,621 | 62,064,567 | 3.73% | 930 |
| 2013 | - | 16,664,003 | - | 9,205,000 | 12,848,469 | 2,253,133 | - | - | - | 18,066,426 | 59,037,031 | 3.45% | 884 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (2) Loan payable to Jefferson Parish.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Fiscal Year</u> | <u>General Bonded Debt Outstanding</u> | | | <u>Percentage of Estimated Actual Taxable Value of Property (1)</u> | <u>Per Capita (2)</u> |
|------------------------|---|--|---|---|---------------------------|
| | <u>General Obligation Bonds</u> | <u>Debt Service Monies Available</u> | <u>Net General Obligation Bonds Outstanding</u> | | |
| 2004 | \$ 260,000 | \$ 126,956 | \$ 133,044 | 0.00% | 1.89 |
| 2005 | - | - | - | - | - |
| 2006 | - | - | - | - | - |
| 2007 | - | - | - | - | - |
| 2008 | - | - | - | - | - |
| 2009 | - | - | - | - | - |
| 2010 | - | - | - | - | - |
| 2011 | - | - | - | - | - |
| 2012 | - | - | - | - | - |
| 2013 | - | - | - | - | - |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See Schedule 8 for property value data.
- (2) Population data can be found in Schedule 15.

CITY OF KENNER, LOUISIANA
SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013
(Unaudited)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (1)</u> | <u>Estimated Share of Overlapping Debt</u> |
|---------------------------------------|-----------------------------|--|--|
| Jefferson Parish | \$ 450,372,000 | 17.55% | \$ 79,040,286 |
| Jefferson Parish Public School System | \$ 165,239,000 | 14.65% | <u>24,207,514</u> |
| Subtotal, overlapping debt | | | 103,247,800 |
| City direct debt | | | <u>40,746,601</u> |
| Total direct and overlapping debt | | | <u><u>\$ 143,994,401</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
SCHEDULE 13 – LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Debt Limit | \$ 151,463,225 | \$ 151,463,225 | \$ 142,414,138 | \$ 144,588,450 | \$ 155,948,658 | \$ 199,702,228 | \$ 200,740,573 | \$ 197,441,907 | \$ 199,506,364 | \$ 205,018,840 |
| Total net debt applicable to limit | 5,908,911 | 4,739,322 | 3,642,404 | 2,471,122 | 1,884,798 | 608,953 | - | - | - | - |
| Legal debt margin | <u>\$ 145,554,314</u> | <u>\$ 146,723,903</u> | <u>\$ 138,771,734</u> | <u>\$ 142,117,328</u> | <u>\$ 154,063,860</u> | <u>\$ 199,093,275</u> | <u>\$ 200,740,573</u> | <u>\$ 197,441,907</u> | <u>\$ 199,506,364</u> | <u>\$ 205,018,840</u> |
| Total net debt applicable to the limit as a percentage of debt limit | <u>3.90%</u> | <u>3.13%</u> | <u>2.56%</u> | <u>1.71%</u> | <u>1.21%</u> | <u>0.30%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |

| Legal Debt Margin Calculation for Fiscal Year 2013 | |
|--|-----------------------|
| Assessed value | <u>\$ 585,768,113</u> |
| Debt limit -- 35% of assessed value | 205,018,840 |
| General obligation and excess revenue bonds | \$ - |
| Less: amount available for repayment of general obligation and excess revenue bonds | <u>-</u> |
| Total net debt applicable to limit | <u>-</u> |
| Legal debt margin | <u>\$ 205,018,840</u> |

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

CITY OF KENNER, LOUISIANA
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST EIGHT FISCAL YEARS
(Unaudited)

| Fiscal Year | Sales Tax Bonds | | | | Coverage |
|----------------|--------------------------|--------------|--------------|------|----------|
| | Sales Tax Collections | Debt Service | | | |
| | | Principal | Interest | | |
| 2006 | \$ 13,244,141 | \$ 2,585,000 | \$ 1,465,886 | 3.27 | |
| 2007 | 13,162,726 | 2,695,000 | 1,353,895 | 3.25 | |
| 2008 | 13,763,729 | 2,820,000 | 1,232,264 | 3.40 | |
| 2009 | 12,247,404 | 2,905,000 | 1,117,164 | 3.04 | |
| 2010 | 11,211,927 | 2,980,000 | 1,039,916 | 2.79 | |
| 2011 | 11,798,565 | 3,075,000 | 954,489 | 2.93 | |
| 2012 | 11,023,249 | 3,165,000 | 865,021 | 2.74 | |
| 2013 | 12,584,294 | 3,265,000 | 772,929 | 3.12 | |

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Certain information for prior periods is not shown since it was not previously maintained by the City.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | (1) Population | Personal Income | (2) (4) Per Capita Personal Income | (3) Unemployment Rate |
|------------------------|---------------------------|----------------------------|---|--------------------------------------|
| 2004 | \$ 70,517 | \$ 2,227,279,445 | \$ 31,867 | 4.1% |
| 2005 | 70,252 | 2,142,896,756 | 25,333 | 5.4% |
| 2006 | 69,911 | 1,771,055,363 | 25,333 | 5.7% |
| 2007 | 66,592 | 1,487,332,320 | 22,335 | 4.9% |
| 2008 | 65,202 | 1,456,286,670 | 22,335 | 4.6% |
| 2009 | 65,527 | 1,558,363,114 | 23,782 | 7.3% |
| 2010 | 67,842 | 1,613,418,444 | 23,782 | 8.1% |
| 2011 | 66,702 | 1,586,306,964 | 23,782 | 8.0% |
| 2012 | 66,715 | 1,663,338,380 | 24,932 | 8.7% |
| 2013 | 66,820 | 1,708,854,680 | 25,574 | 7.9% |

(1) Source: U.S. Census Bureau 2000 Census for 2003-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010. Except for 2003-2010, the figures represent the City's population for the preceding calendar year.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(4) 2005 figure used for 2005 and 2006; 2007 figure used for 2007 and 2008; 2009 figure used for 2009, 2010, and 2011.

CITY OF KENNER, LOUISIANA
SCHEDULE 16 -- PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

| <u>Employer</u> | <u>June 30, 2013</u> | | | <u>June 30, 2004</u> | | |
|---------------------------|----------------------|-------------|--|----------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Treasure Chest Casino LLC | 760 | 1 | 1.97% | ** | | |
| Ochsner Medical Center | 700 | 2 | 1.81% | | | |
| City of Kenner | 621 | 3 | 1.61% | | | |
| Cross Road Centers | 600 | 4 | 1.55% | | | |
| Pellerin Milnor Corp | 588 | 5 | 1.52% | | | |
| Sams Club | 250 | 6 | 0.65% | | | |
| Fleming Construction Co | 215 | 7 | 0.56% | | | |
| Delta Airlines | 200 | 8 | 0.52% | | | |
| Macy's | 200 | 9 | 0.52% | | | |
| Chateau Living Center | 200 | 10 | 0.52% | | | |
| Total | <u>4,334</u> | | <u>11.23%</u> | <u>-</u> | | <u>0.00%</u> |

** Certain information for prior periods is not shown since it was not previously maintained by the City.

Source: JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 – FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

| Function/Program | Full-time Equivalent Employees as of June 30 | | | | | | | | | |
|-------------------------------|--|------|------|------|------|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government | 73 | 77 | 69 | 86 | 86 | 83 | 96 | 92 | 87 | 86 |
| Public safety | 411 | 382 | 344 | 356 | 364 | 354 | 331 | 332 | 324 | 333 |
| Public works | 154 | 168 | 101 | 99 | 108 | 114 | 73 | 72 | 72 | 73 |
| Health and welfare | 52 | 52 | 50 | 30 | 23 | 20 | 61 | 53 | 36 | 36 |
| Culture and recreation | 75 | 82 | 106 | 126 | 135 | 134 | 78 | 69 | 78 | 79 |
| Transit and urban development | 30 | 29 | 26 | 30 | 27 | 32 | 16 | 13 | 15 | 14 |
| Miscellaneous | | | | | | | | | | |
| Total | 795 | 790 | 696 | 727 | 743 | 737 | 655 | 631 | 612 | 621 |

Source: City of Kenner payroll department.

CITY OF KENNER, LOUISIANA
SCHEDULE 18 – OPERATING INDICATORS BY FUNCTION
LAST FIVE FISCAL YEARS
(Unaudited)

| Function | Fiscal Year 2009 | Fiscal Year 2010 | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Police | | | | | |
| Physical arrests | 6,812 | 8,815 | 9,393 | 8,990 | 7,767 |
| Parking violations | 750 | 467 | 449 | 496 | 928 |
| Traffic violations | 14,391 | 17,692 | 20,242 | 26,201 | 19,973 |
| Fire | | | | | |
| Emergency responses | 3,705 | 3,588 | 3,454 | 2,555 | 1,662 |
| Fires extinguished | 191 | 137 | 186 | 120 | 190 |
| Refuse collection | | | | | |
| Refuse collected (tons per month) | 3,538 | 3,466 | 3,220 | 3,065 | 3,314 |
| Recyclables collected (tons per month) | N/A | N/A | N/A | N/A | 4 |
| Other public works | | | | | |
| Street resurfacing (sq. ft.) | 26,000 | 8,000 | 488,735 | 117,972 | 285,813 |
| Potholes repaired | 91 | 163 | 130 | 484 | 527 |
| Wastewater | | | | | |
| Average daily sewage treatment (mil per day) | 11.0 | 12.2 | 10.7 | 10.7 | 10.5 |

Source: City of Kenner Finance Department.

CITY OF KENNER, LOUISIANA
SCHEDULE 19 – CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| Function | Fiscal Year 2004 | Fiscal Year 2005 | Fiscal Year 2006 | Fiscal Year 2007 | Fiscal Year 2008 | Fiscal Year 2009 | Fiscal Year 2010 | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | ** | ** | ** | ** | 180 | 221 | 204 | 201 | 204 | 210 |
| Fire | | | | | | | | | | |
| Stations | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Pieces of equipment | 20 | 21 | 21 | 21 | 21 | 23 | 23 | 23 | 21 | 20 |
| Water | | | | | | | | | | |
| Water mains (miles) | ** | ** | ** | ** | ** | ** | 264 | 264 | 264 | 264 |
| Fire hydrants | ** | ** | ** | ** | ** | 3,996 | 2,919 | 2,911 | 2,915 | 2,919 |
| Storage capacity (thousands of gallons) | ** | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Other public works | | | | | | | | | | |
| Streets (miles) | ** | ** | 212 | 212 | 396 | 396 | 300 | 300 | 300 | 300 |
| (1) Highways (miles) | ** | ** | ** | ** | ** | ** | 10 | 10 | 10 | 10 |
| Bridges | ** | ** | 16 | 27 | 27 | 27 | 33 | 33 | 33 | 33 |
| Streetlights | 6,987 | 6,987 | 6,987 | 6,987 | 6,992 | 6,992 | 6,992 | 6,992 | 6,992 | 6,992 |
| Traffic signals | ** | ** | ** | ** | 18 | 19 | 19 | 19 | 19 | 19 |
| Health and welfare | ** | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Culture and recreation | | | | | | | | | | |
| Parks | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| Playgrounds | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 11 | 11 |
| Art Galleries and Museums | 10 | 10 | 10 | 10 | 10 | 10 | 6 | 6 | 7 | 7 |
| Gymnasiums | 10 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 10 | 10 |
| Wastewater | | | | | | | | | | |
| Sanitary and storm sewers (miles) | ** | ** | 905 | 905 | 905 | 905 | 905 | 905 | 905 | 905 |
| Treatment plants | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Low-lift stations | 76 | 77 | 77 | 77 | 79 | 79 | 79 | 79 | 79 | 79 |
| Treatment capacity | 13.5 MGD | 13.5 MGD | 13.5 MGD | 13.5 MGD | 13.5 MGD | 13.5 MGD | 13.5 MGD | 13.5 MGD | 11.288 MGD | 13.5 MGD |

Source: City of Kenner finance department

** Certain information for prior periods is not shown since it was not previously maintained by the City.

(1) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years.

SINGLE AUDIT

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

January 7, 2014

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Kenner, Louisiana's basic financial statements, and have issued our report thereon dated January 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Kenner, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhmcpcpa.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

WILLIAM G. STAMM, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIH, C.P.A.
TERRI L. KITTO, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

MICHAEL J. O'ROURKE, C.P.A.
DAVID A. BURGARD, C.P.A.
CLIFFORD J. GIFFIN, Jr., CPA

A.J. DUPLANTIER JR, C.P.A. (1919-1985)
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)
WILLIAM R. HOGAN, JR., CPA (1920-1996)
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

January 7, 2014

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of Kenner, Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2013. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Kenner, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

1615 Poydras Street, Suite 2100 • New Orleans, LA 70112 • (504) 586-8866 • Fax (504) 525-5888
1670 Old Spanish Trail • Slidell, LA 70458 • (985) 649-9996 • Fax (985) 649-9940
247 Corporate Drive • Houma, LA 70360 • (985) 868-2630 • Fax (985) 872-3833
5047 Highway 1, P. O. Box 830 • Napoleonville, LA 70390 • (985) 369-6003 • Fax (985) 369-9941
www.dhhmcpa.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Kenner, Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Kenner, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Kenner, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Kenner, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

**CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

| <u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>GRANT</u> | <u>2013 FEDERAL EXPENDITURES</u> |
|---|------------------------------------|-----------------|--|
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| Direct Programs: | | | |
| Community Development Block Grant | 14.218 | B-10-MC-22-0008 | 55,541 |
| Community Development Block Grant | 14.218 | B-11-MC-22-0008 | 552,030 |
| Community Development Block Grant | 14.218 | B-12-MC-22-0008 | 10,118 |
| | | | <u>617,689</u> |
| Passed through Jefferson Parish: | | | |
| ARRA - Community Development Block Grant Recovery | 14.253 | B-09-MY-22-0008 | 44,814 |
| Louisiana Disaster Recovery Program | 14.253 | 55-00010720 | 296,397 |
| Home Investment Partnership Program (HOME) | 14.239 | Unavailable | 132,323 |
| ARRA-Homelessness Prevention and Rapid Re-Housing | 14.257 | CFMS# | 19,915 |
| Emergency Shelter Grants Program | 14.231 | CFMS#697842 | 9,469 |
| Emergency Shelter Grants Program | 14.231 | CFMS#701780 | 75,000 |
| | | | <u>104,384</u> |
| TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | <u><u>1,150,793</u></u> |
| DEPARTMENT OF JUSTICE | | | |
| Edward Byrne Memorial Justice Assistance Grant Program: | | | |
| Direct | 16.738 | 2010-DJ-BX-1359 | 28,068 |
| Passed Through Louisiana Commission Law Enforcement: | | | |
| Street Sales Disruption | 16.738 | B-10-7-009 | 4,535 |
| Street Sales Disruption | 16.738 | B-11-7-009 | 8,901 |
| | | | <u>41,504</u> |
| Passed Through Louisiana Commission Law Enforcement: | | | |
| Municipal Narcotics Task Force Grant | 16.579 | B-08-7-001 | 13,939 |
| Crime Victim Assistance Program | 16.575 | C-11-7-020 | 15,548 |
| Crime Victim Assistance Program | 16.575 | C-12-7-020 | 9,980 |
| | | | <u>39,467</u> |
| Direct | | | |
| ARRA-Public Safety Partnership and Community Policing Grant* | 16.710 | 2009-RK-WX-0384 | 162,154 |
| Bulletproof Vest Partnership Grant Program | 16.607 | Unavailable | 4,971 |
| | | | <u>167,125</u> |
| TOTAL DEPARTMENT OF JUSTICE | | | <u><u>248,096</u></u> |
| DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness: | | | |
| Disaster Grants - Public Assistance - Katrina * | 97.036 | 1603-DR-LA | 792,612 |
| Disaster Grants - Public Assistance - Gustav* | 97.036 | 1786-DR-LA | 3,069 |
| Disaster Grants - Public Assistance - Lee* | 97.036 | 4041-DR-LA | 2,600 |
| Disaster Grants - Public Assistance - Isaac* | 97.036 | 4080-DR-LA | 2,141,437 |
| | | | <u>2,939,718</u> |
| TOTAL DEPARTMENT OF HOMELAND SECURITY | | | <u><u>2,939,718</u></u> |

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

DEPARTMENT OF ENERGY

Direct

| | | | |
|---|--------|--------------|----------------------|
| ARRA - Energy Efficiency and Conservation Block | 81.128 | DE-SC0002102 | <u>18,771</u> |
| TOTAL DEPARTMENT OF ENERGY | | | <u><u>18,771</u></u> |

DEPARTMENT OF TRANSPORTATION

Passed Through the Regional Transit Authority

| | | | |
|-------------------------|--------|-------------------|---------------|
| Route Planning Analysis | 20.505 | LA-90-2386.442400 | <u>15,000</u> |
|-------------------------|--------|-------------------|---------------|

Passed Through the Louisiana Department of Culture, Recreation & Tourism

Passed Through Louisiana Department of Public Safety and Corrections

| | | | |
|----------------------|--------|---------------|----------------|
| Federal Aid Projects | 20.205 | H006526 | 128,599 |
| Federal Aid Projects | 20.205 | STP-2605(507) | <u>451,952</u> |
| | | | <u>580,551</u> |

TOTAL DEPARTMENT OF TRANSPORTATION

595,551

ENVIRONMENTAL PROTECTION AGENCY

Passed Through the Louisiana Department of Environmental Quality

| | | | |
|---|--------|-------------|------------------|
| Loan from Louisiana Municipal Revolving Loan Fund | 66.458 | Unavailable | 424,838 |
| Loan from Louisiana Municipal Revolving Loan Fund | 66.458 | Unavailable | <u>1,743,634</u> |

TOTAL ENVIRONMENTAL PROTECTION AGENCY

2,168,472

TOTAL FEDERAL ASSISTANCE

\$ 7,121,401

- * This program is considered a "major" program under OMB Circular A-133.

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES
JUNE 30, 2013

NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. Department of Homeland Security
 - Disaster Grants – Public Assistance – Katrina**
 - Disaster Grants – Public Assistance – Gustav**
 - Disaster Grants – Public Assistance – Lee**
 - Disaster Grants – Public Assistance – Isaac**
2. Department of Justice
 - ARRA – Public Safety Partnership and Community Policing Grant**

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2013.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2. Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Kenner, Louisiana.
2. No control deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

| | <u>CFDA Number/Grant Number</u> |
|--|---------------------------------|
| Disaster Grants – Public Assistance | 97.036 |
| ARRA – Public Safety Partnership and Community Policing Grant | 16.710 |
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana qualified as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Compliance:

No findings noted.

Internal Control:

No findings noted.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

No findings noted.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

No prior year audit findings.